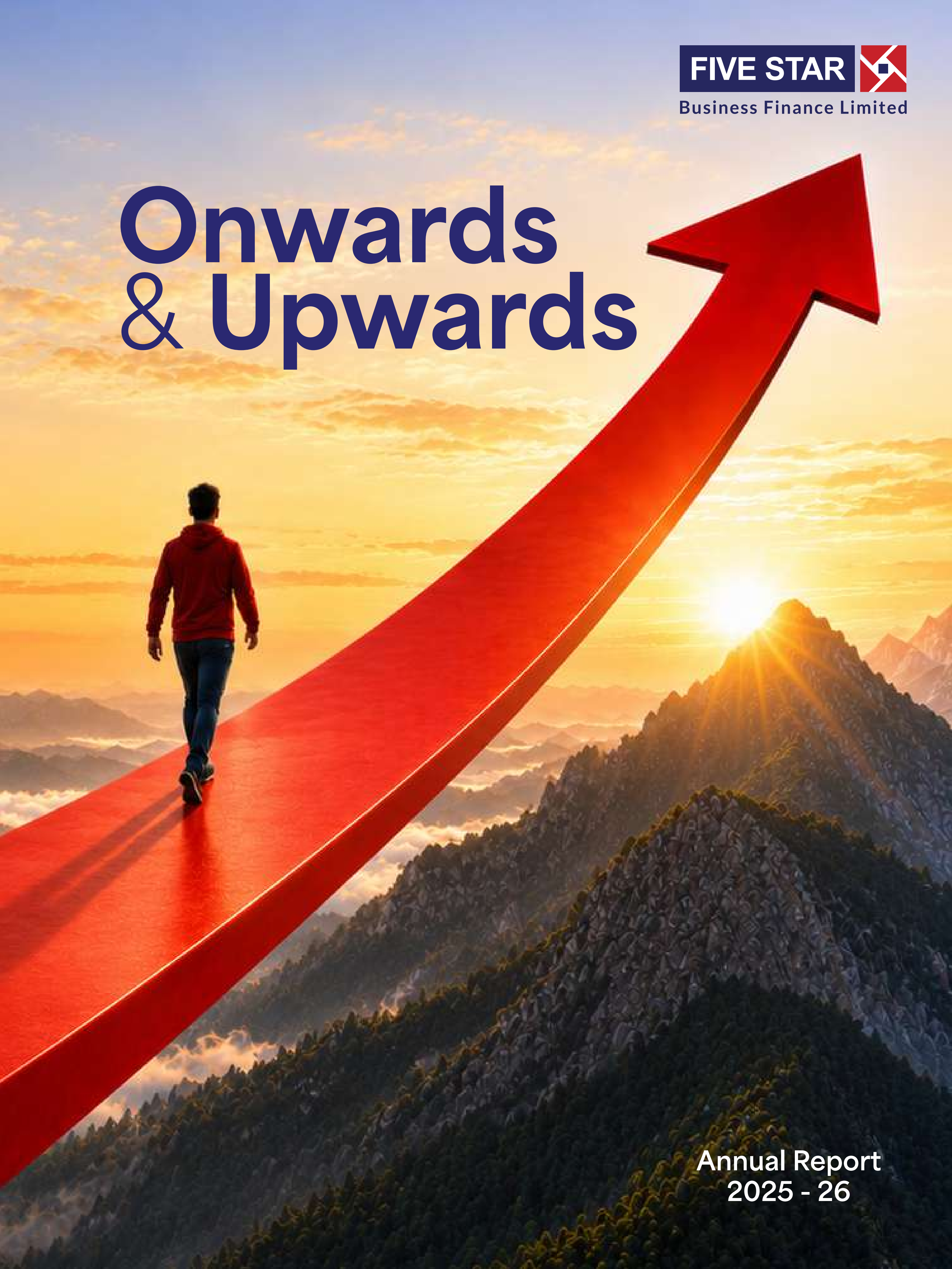
FIVE STAR
Business Finance Limited

Onwards & Upwards



Annual Report
2025 - 26

FIVE STAR
Business Finance Limited

Note: Across this report, the word 'Five Star' refers to 'Five-Star Business Finance Limited'

Forward-looking statement

In this Annual Report we may have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Board of Directors

Lakshmipathy Deenadayalan
Anand Raghavan
Srinivasaraghavan T T
Bhama Krishnamurthy^
Ramkumar Ramamoorthy
Rajeshwari Shankar*
Thirulokchand Vasan
Srikanth Gopalakrishnan

Key Managerial Personnel

Lakshmipathy Deenadayalan, Managing Director
Srikanth Gopalakrishnan, Joint MD & Chief Financial Officer
Vigneshkumar SM, Company Secretary

Statutory Auditors

Deloitte Haskins & Sells
ASV Ramana Tower, No. 52,
Venkatanarayana Road, T. Nagar,
Chennai 600 017

Secretarial Auditors

S Sandeep & Associates
No: 5, Flat No: 10, 2nd
Floor, Sucons Padmalaya,
Venkatnarayana Road, T.Nagar,
Chennai - 600 017

Internal Auditors

Sundaram & Srinivasan
23, C P Ramaswamy Road,
Alwarpet, Chennai - 600 018

Registrar Agents and Transfer Agents

KFin Technologies Limited (Unit: Five-Star Business Finance Ltd)
Selenium, Tower B,\Plot No:
31 & 32, Financial District,
Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi - 500 032,
Telangana, India
Phone: 1800 309 4001
Email: einward.ris@kfintech.com

NSDL Database Management Limited
4th Floor, Trade World, 'A' Wing,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
Phone: 022-4914 2597
Email: sachin.shinde@ndml.in

Registered Office

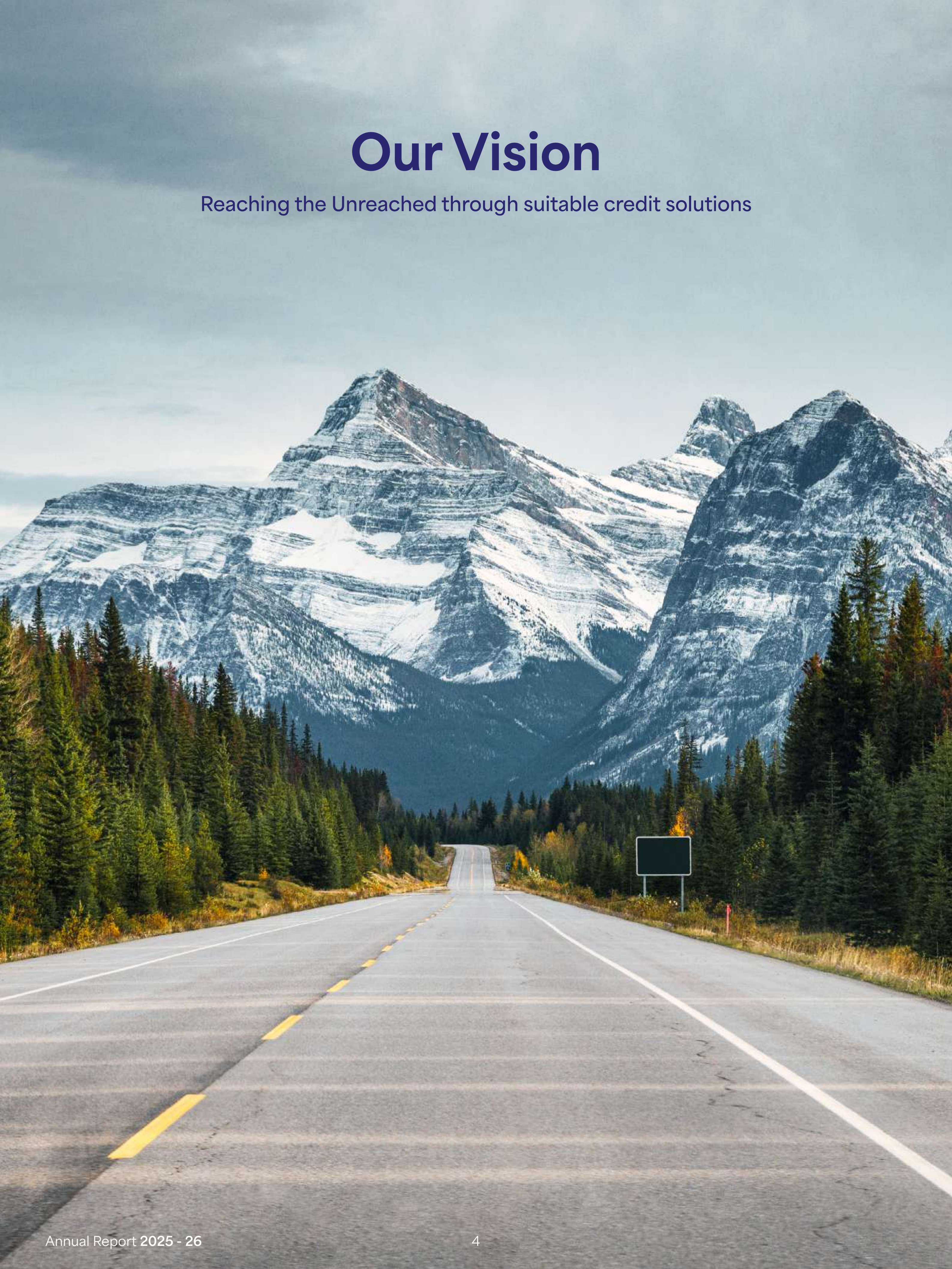
New No 27, Old No 4,
Taylor's Road, Kilpauk,
Chennai - 600 010
CIN: L65991TN1984PLC010844

* Appointed w.e.f February 02, 2026
^ Completed 10 years term as Independent Director on April 11, 2026

Contents

Our Vision

Reaching the Unreached through suitable credit solutions



Our Mission

Provide appropriate credit solutions to the hitherto unreached segment of the market by developing a niche underwriting model, built towards evaluating the twin strengths of the borrowers' intention to repay and ability to repay, with the ultimate objectives of increasing customer satisfaction and maximising stakeholder returns

Our Journey

A consistent path of growth, built on trust and performance.

Our Ratings Milestones

CRISIL		ICRA / CARE Ratings				ICRA / CARE Ratings / India Ratings
2012	2014	2016	2017	2018	2021	2023
BB+	BBB-	BBB/ BBB+	A-	A	A+	AA-

₹ 132,246 Mn

Assets Under Management

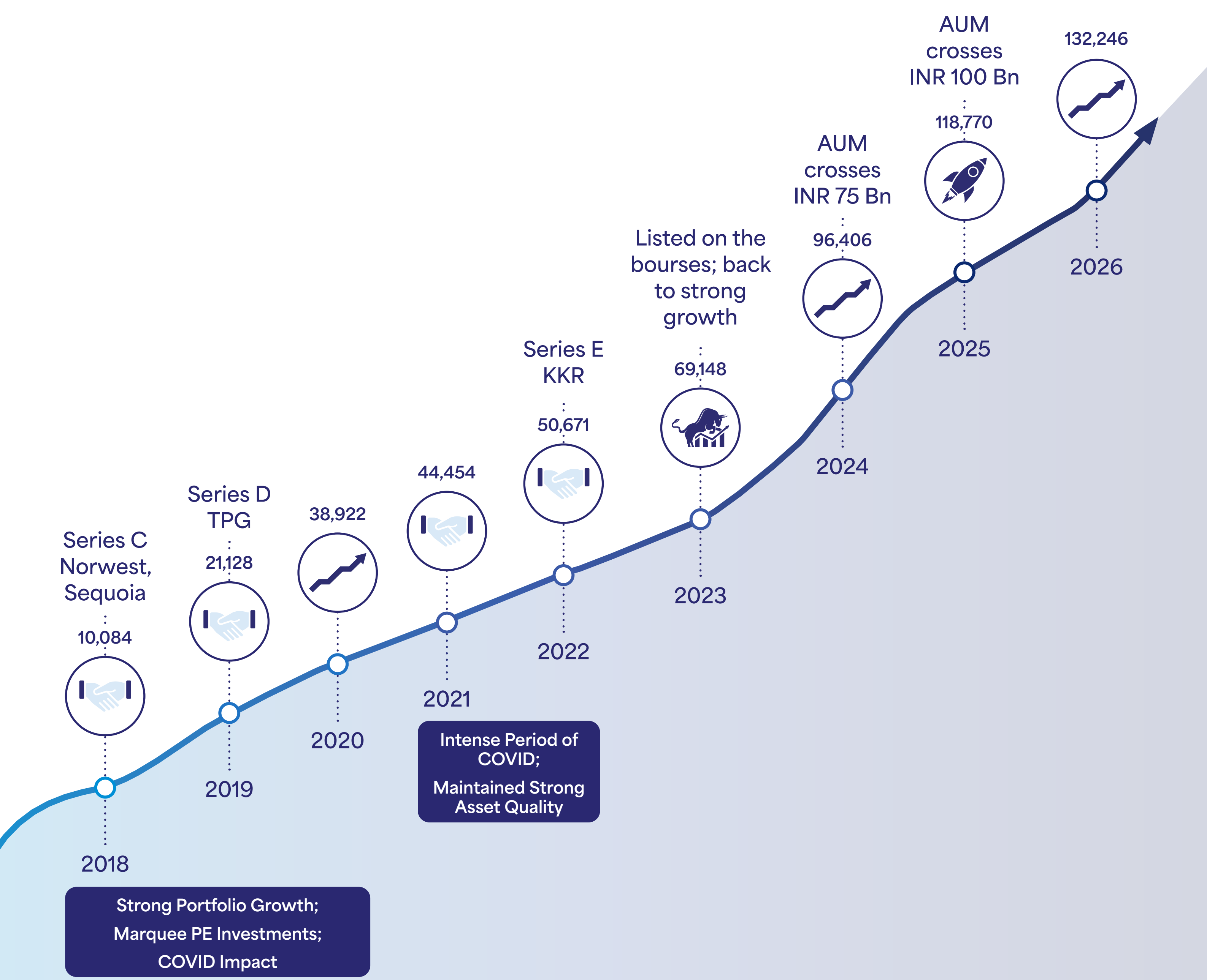
Key Milestones that shaped Our Growth

1984	Incorporation	
2004	Introduction of Secured Loans for business & other purposes	
2010		263
2014	First PE infusion Series A Matrix Partners	1,008
2015	CEO & CFO joined The Company	1,315
2016		1,981
2017	Series B Morgan Stanley	4,936

Strong Portfolio Growth; Marquee PE Investments; COVID Impact

Decades of Consistent Growth

Our Assets Under Management **(AUM)** reflects a journey of **consistent growth**, driven by prudent financial management, strong governance, and enduring stakeholder confidence.



Year-wise Asset Under Management

Board of Directors

Lakshmipathy Deenadayalan
Chairman & Managing Director

RMC CSR ITC CSC ALCO SRC BRC RCWD

Lakshmipathy hails from a business family and joined the Company as a Director in 2002. He pioneered the concept of providing secured loans to Small Business Customers and has been instrumental in building a portfolio of INR 10,000 Crores, without any compromise on the pace or quality of growth over the last 2 decades. He was appointed as the Managing Director of the Company in 2012 and continues to be the Managing Director fully involved in all strategic and operational decisions.

Anand Raghavan
Independent Director

AC RMC CSR NRC RCWD

Chartered Accountant with over 30 years of experience occupying senior positions in Sundaram Finance and Ernst & Young LLP. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment.He is also a director on the Boards of Aptus Value Housing Finance, Shriram Life and SK Finance.

Bhama Krishnamurthy*
Independent Director

AC RMC CSR NRC

She has over three decades of experience in Financial Services with a sparkling career in Small Industries Development Bank of India (SIDBI). She served as Chief General Manager of SIDBI. Her other directorships include Cholamandalam Investment and Finance, and Muthoot Microfinance.

* Completed 10 years term as Independent Director on April 11, 2026

Srinivasaraghavan T T
Independent Director

AC RMC CSC RCWD

Graduate in Commerce and holds an MBA degree from the Gannon University, Pennsylvania. He began his career as a banker, before moving to Sundaram Finance in 1983, where he spent almost 4 decades including 18 years as its Managing Director. He is also on the Boards of Sundaram Finance, Sundaram Home and RK Swamy.

Ramkumar Ramamoorthy
Independent Director

RMC ITC NRC SRC

Associated with Cognizant India for over 22 years, before retiring as Chairman and MD, responsible for the company's India operations. Prior to joining Cognizant, Ramkumar worked for Tata Consultancy Services. He is now a Partner at Catalincs, a strategic advisory firm that helps small tech companies scale and grow. He is also on the Board of Cholamandalam Investment and Finance.

Rajeshwari Shankar
Independent Director

Rajeshwari Shankar is a Chartered Accountant and a senior audit & governance professional with over three decades of experience in statutory audits, internal audits and corporate governance. She has served as signing partner for central statutory audits of major public sector banks, public sector undertakings, and listed corporates.

She is currently one of the Senior Partners of M/s. PKF Sridhar & Santhanam LLP, one of the leading firm of Chartered Accountants based in Chennai.

Thirulokchand Vasan
Non-Executive Director

SRC BRC

Thirulokchand is a Hotel Management Graduate with over 17 years of experience in the Hospitality business. His areas of expertise include Team Management, Customer satisfaction and Process Optimization.

Srikanth Gopalakrishnan
Joint Managing Director & Chief Finance Officer

CSC ALCO BRC ITC

Management graduate and a seasoned banking and finance professional with more than 2 decades of experience with large banks and NBFCs. He had worked in Citibank across Treasury & FP&A functions. He was the Chief Financial Officer at Asirvad Microfinance Private Limited before joining Five Star. He has been associated with the Company for about 10 years.

Committee Indications

AC - Audit Committee
RMC - Risk Management Committee
NRC - Nomination & Remuneration Committee
CSR - Corporate Social Responsibility Committee
ITC - IT Strategy Committee
CSC - Customer Service Committee
BRC - Business & Resource Committee
SRC - Stakeholder's Relationship Committee
ALCO - Asset & Liability Committee
RCWD - Review Committee for Wilful Defaulter

Chairman's Message

Lakshmipathy Deenadayalan

Dear Shareholders,

I have had the opportunity to lead your Company for the last 2 decades, and I have been witness to lots of ups and downs during this time. But the sheer magnitude of what happened during the financial year ended March 31, 2026 perplexed me and I have no hesitation in calling FY2026 as the most challenging year faced by your Company over the last 2 decades.

Free flow of credit is one of the fundamental requirements for the growth of any economy. Borrowers get the opportunity to contribute to economic growth through leverage. Towards this, banks and NBFCs continue to provide yeoman service in making credit available to different strata of the society. However, what is even more important than making credit available is to ensure the right credit culture in the minds of the borrowers. In a lending business, lending is the easiest part; a successful lender is not the one who excels in lending but one who excels in collections.

The overleverage issue that rocked the financial services industry during the last financial year blew up into an issue with the credit culture, damaging the strong credit fabric that was carefully woven into a nice cloth over the years. Borrowers with opportunistic mindsets tried to exploit the situation to their advantage, wherein they stopped paying their EMIs even to secured lenders hoping for concessions (akin to what they got from unsecured lenders during the previous quarters) leading to asset quality challenges for the secured lenders.

This led to drop in collection efficiencies, increase in slippages and NPA for us during the financial year. It became imperative for us to get into a warfooting mode to remedy the situation in the shortest possible time. And I am very happy to inform you all that the actions taken by your Company have reaped the right benefits leading to strong collections towards the later part of the year, which has given us the confidence to restart focusing on growth in the quarters to come.

The strength of your Company's business model and the execution capability of the team were more than amply evident in the Company achieving an AUM growth of 11% and PAT growth of 2% even during one of the most difficult years, notwithstanding the fact that this year also saw Senior Management Personnel exit the Company thereby leading to quite a bit of perception issues for your Company. I want to assure you that Five Star is an Institution built with the sweat and toil of thousands of employees, both at the ground and in the Management team, and the exit of few people would create only as much effect as a ripple caused by a pebble thrown into a mighty ocean.

On the operational and financial fronts, your Company's performance is laid out below:

- Disbursal of about 4,676 Crores along with the borrower base of close to 5 lakhs during the year.
- Your company also saw its portfolio growth registering an increase of over 11% during the year i.e. growing from 11,877 Crores to 13,225 Crores.
- Growth in Profit after Tax (PAT) from 1,073 Crores to 1,099 Crores.
- NPA went up from 1.79% in FY2025 to 3.37% in FY2026, amidst the significant headwinds faced by the Company during the last 12 months.

Your Company has seen an increase in the Gross NPA, but as I have already stated, we have taken necessary actions to control slippages and GNPA in the coming years, which have shown good results in the form of controlled slippages. I am very confident that these actions would pave the way for a strong asset quality for your Company.

Over the last few years, especially post the listing, there have been a lot of doubts, fears, reservations, suspicions thrown at your Company. A lot of people have stood by our side, but a lot of people have also questioned our ability to grow with the right quality and profitability. To all of them, my answer is given through the following verse from Thirukkural.

வெள்ளத் தனைய மலர்நீட்டம் மாந்தர்தம்
உள்ளத் தனையது உயர்வு

Just as the level of water determines the rise of the lotus flower, the growth of men is determined by the level of their thoughts and aspirations.

Your Company is blessed to have thousands of warriors with lofty thoughts and a burning desire to succeed. We will not settle for anything mediocre, but we aspire to reach the tallest heights. We may stumble, we may take a pause, but we refuse to be defeated. We have emerged stronger, battle hardened from the challenges that tested us and we will be stepping into a new beginning, a beginning that will be marked by renewed performance and an unshakeable and lasting trust, commitment in and dedication to the Company, that we hold dear to our hearts.

Gratitude is not only the greatest of virtues, but the parent of all others and life is so beautiful to the one with a grateful heart. My sincere and deep gratitude to all the employees, shareholders, lenders, and directors, who have stood by us through thick and thin. I would also like to thank the auditors and other industry stakeholders such as rating agencies, regulatory bodies, etc for their support to us over the years, which has made us tougher and stronger.

Challenges are what make life interesting and overcoming them is what makes life meaningful. I take immense confidence in the way we have handled the challenges that were thrown at us; we have emerged stronger and well-ready to move "**Onwards and Upwards**" in our journey to scale new highs in the coming years

Best Wishes
Lakshmipathy Deenadayalan
Chairman & Managing Director

Who we are & What we do

- NBFC providing secured financial solutions to Small Business customers and Self-employed Individuals who are largely cut-off from formal lending ecosystem
- Deep understanding of customer behavior and strong knowledge of market and regional dynamics, having been operating in this segment for over the last 2 decades
- Proprietary Underwriting & Collections model fine-tuned over 2 decades of experience

Target Customer Segement

Customer with informal income derived from everyday 'services'

Ticket Size & Income Profile

Average Ticket size of ₹ 3 - 5 Lakhs

Household gross income of ₹ 25,000 - 40,000

Property backed Collateral

All loans are secured against borrower property - usually self occupoed residential property

Target Geography

Strong distribution network driven by contiguous branch expansion. Currently Southern India (TN, AP, Telangana & Karnataka), and MP, Maharashtra, UP, Chhattisgarh, Rajasthan, Gujarat

Product Profile

Business & Other Loans

- Small Business Owners and Self-employed individuals involved in everyday cash and carry businesses with a service bias
- Need funds to refinance borrowings from unorganised sources, which were originally taken to set up businesses
- Need funds for other purposes such as business expansion, home renovation / improvement and other mortgage purposes (marriage, education, emergency etc)

Housing Loans

Individuals who are self- employed businessmen / professionals / salaried / others and have adequate repayment capacity for construction/purchase/ extension/up-gradation/repairs and renovation of any residential unit or flat, Purchase of site, Composite loan for purchase of site and house property.

Key Attributes

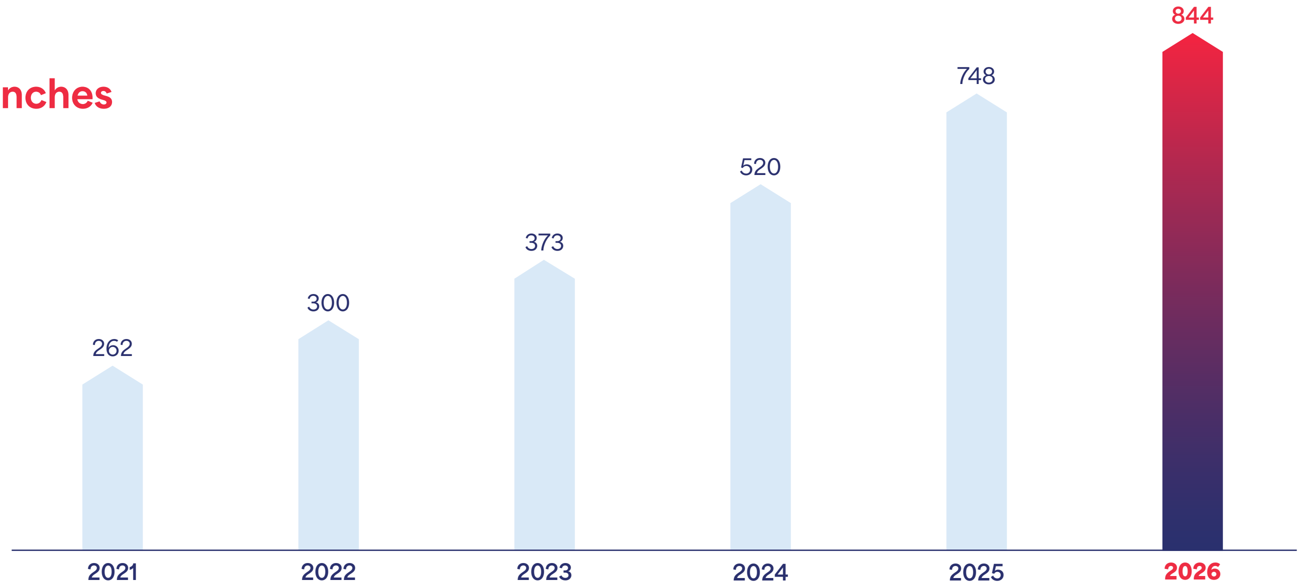
- Typical loan amount is INR 5 to 15 lakhs
- LTV is restricted to 60% and DBR upto 50%
- Repayment period upto 20 years

Income Profile

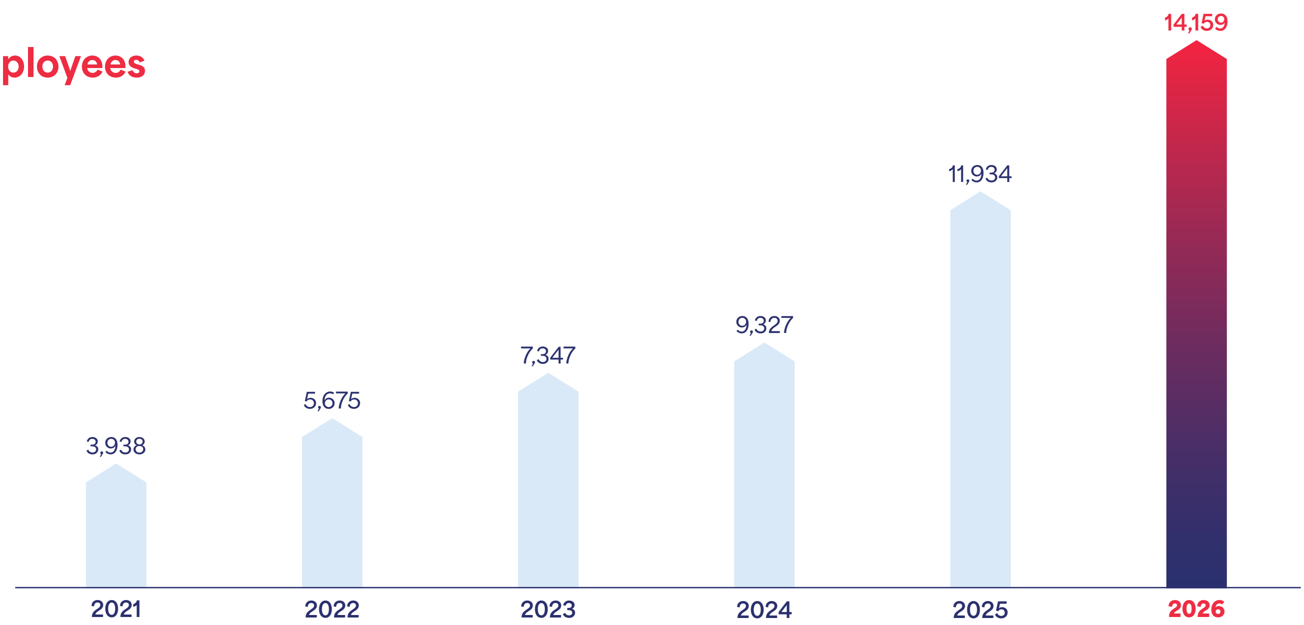
- Average Ticket size of ₹ 5 Lakhs
- Household gross income of ₹ 25,000 - ₹ 40,000
- Loan to value & Debt burden typically restricted to 50%
- EMI typically of 7 - 10 days of borrowers revenue
- All loans are secured against borrower property - usually self occupied residential property
- Loan provided for Business expansion, Home/ renovation improvement and other mortgage purpose
- Deeper penetration in geographies of Tier 3 to Tier 6 cities where the customers are underserved

Business Highlights

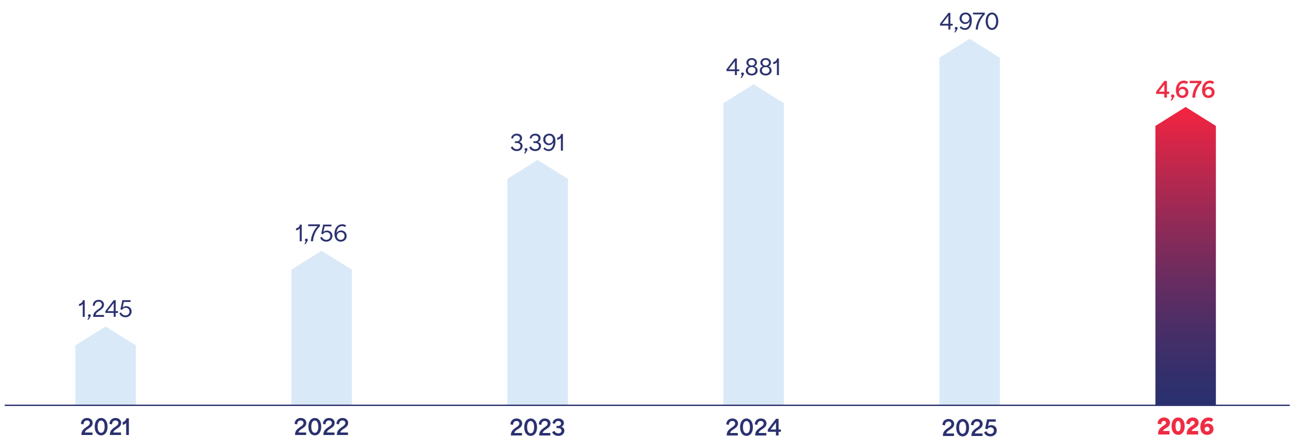
Branches



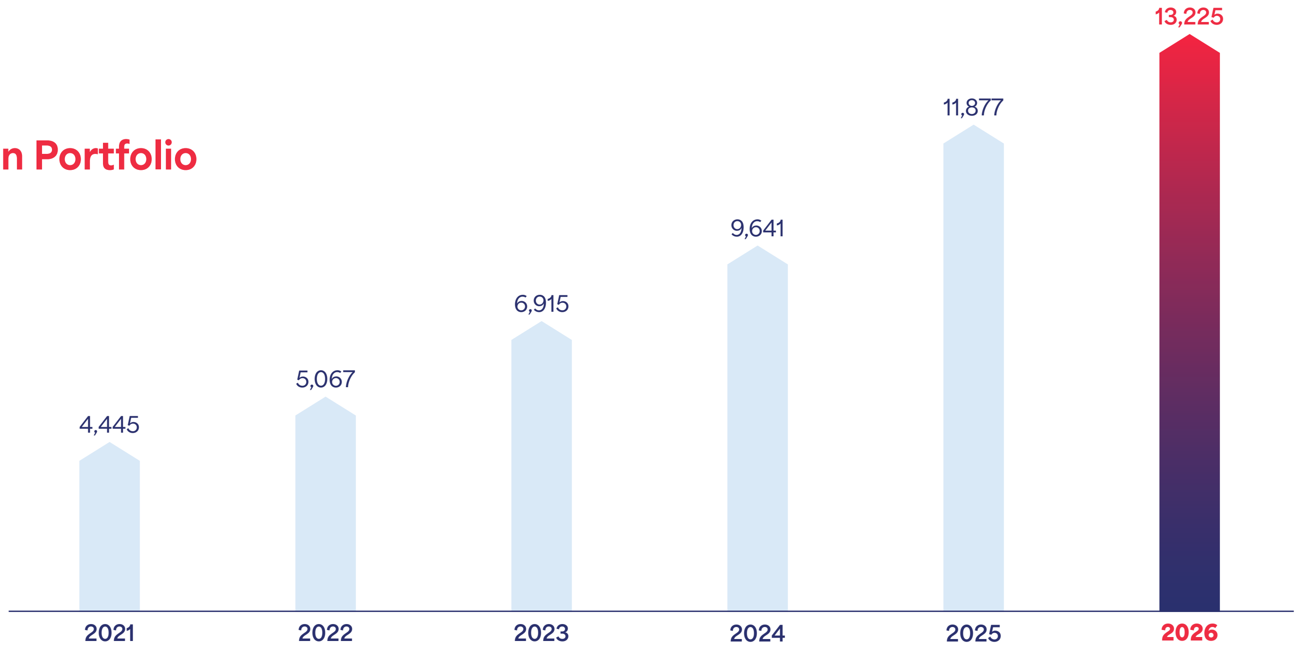
Employees



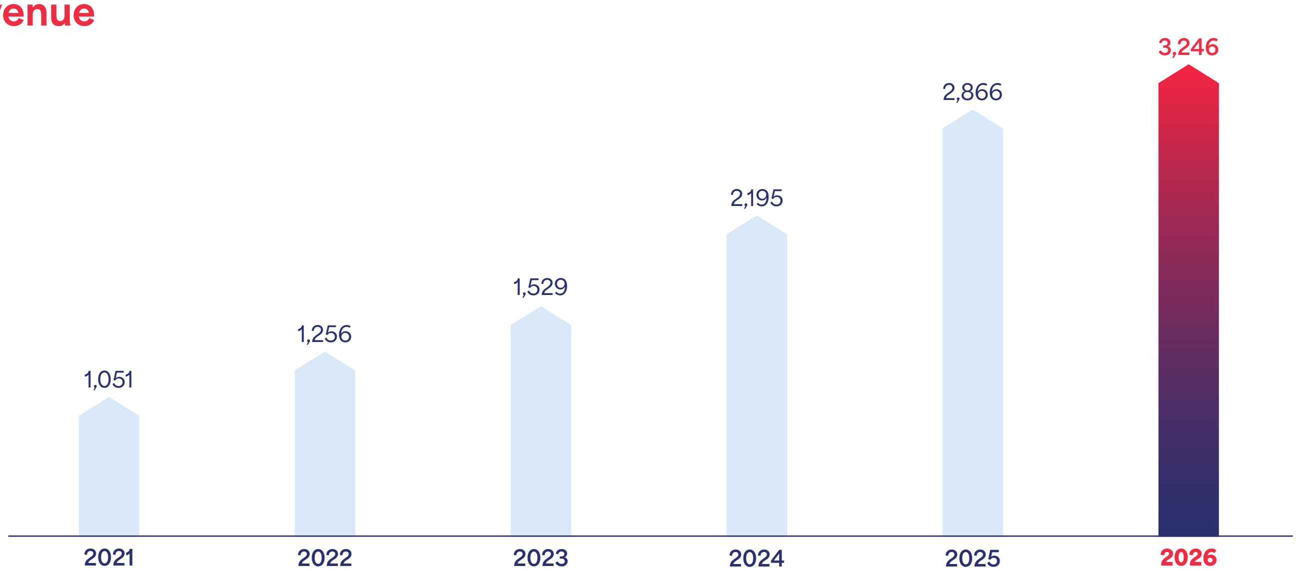
Loan Disbursement



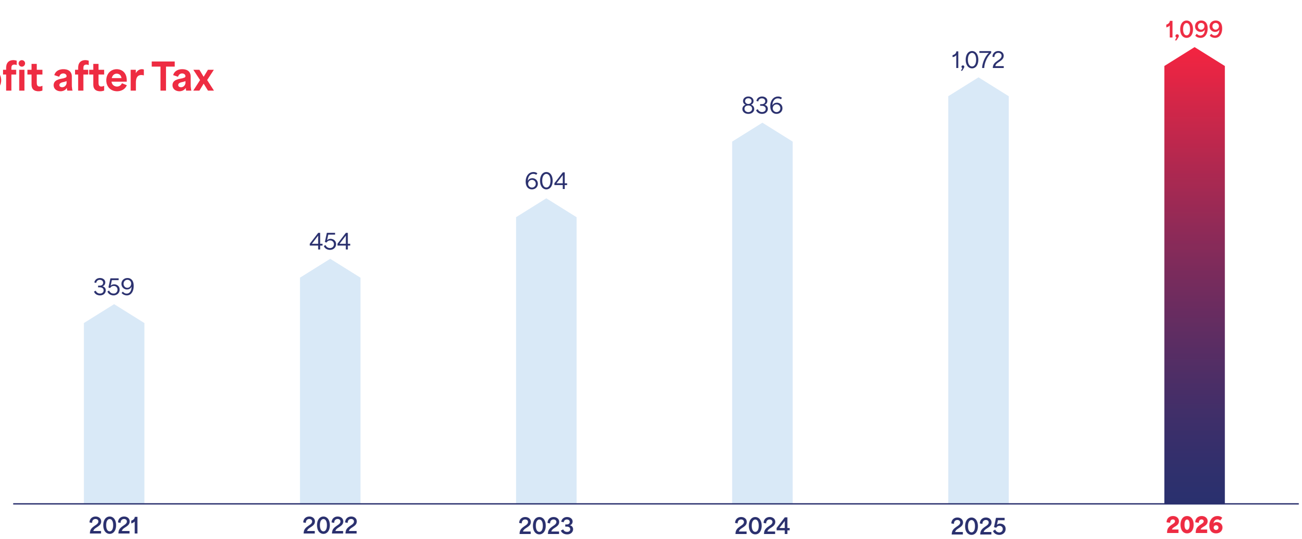
Loan Portfolio



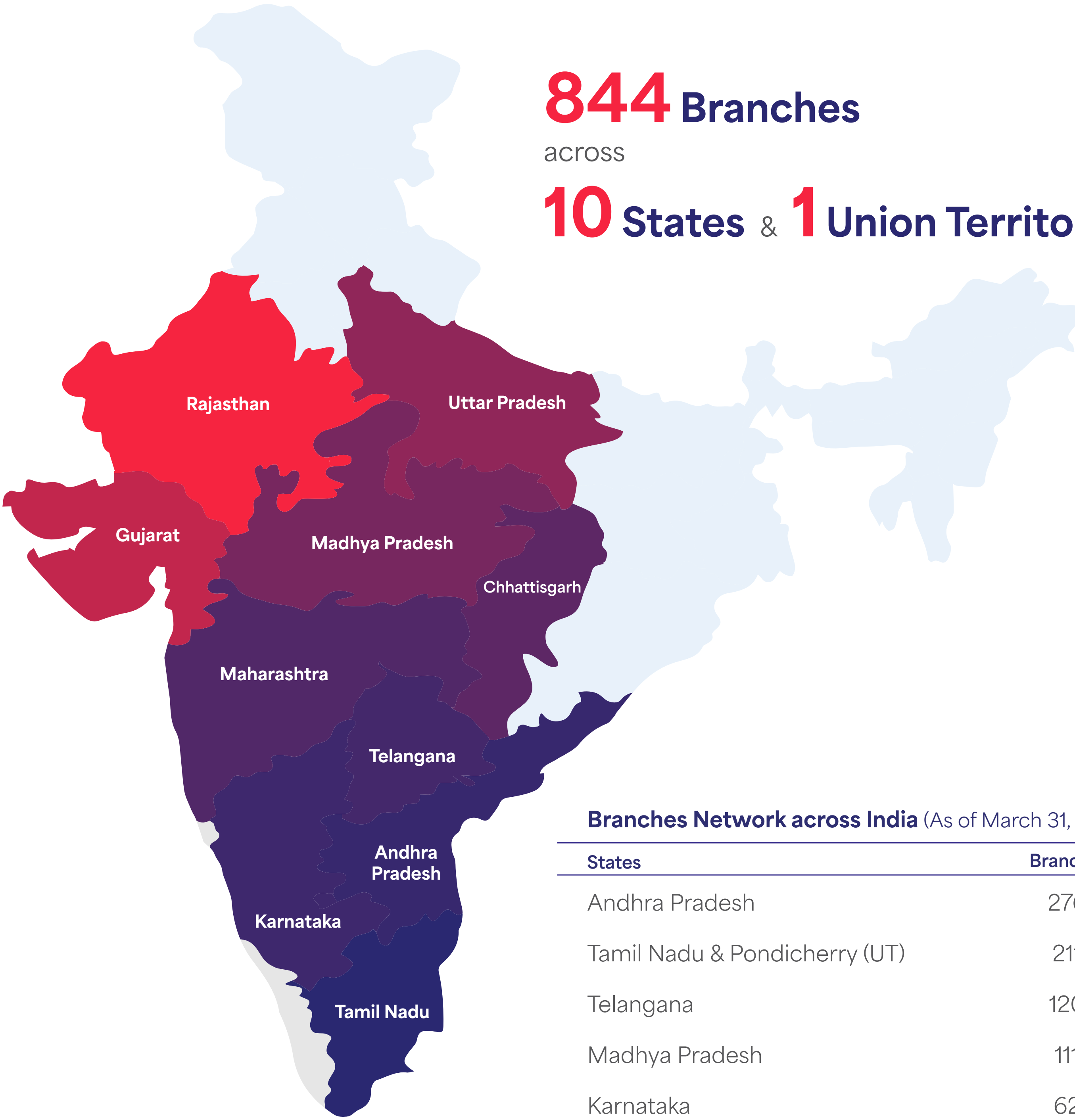
Revenue



Profit after Tax



Branches



844 Branches
across
10 States & 1 Union Territory

Branches Network across India (As of March 31, 2026)

States	Branches
Andhra Pradesh	276
Tamil Nadu & Pondicherry (UT)	211
Telangana	120
Madhya Pradesh	111
Karnataka	62
Maharashtra	40
Uttar Pradesh	12
Rajasthan	5
Chhattisgarh	3
Gujarat	4

Lending Relationships

Banks

Axis Bank
Bandhan Bank
Bank of Baroda
Bank of Maharashtra
City Union Bank
CSB Bank
DBS Bank
DCB Bank
Deutsche Bank
Federal Bank
HDFC Bank
HSBC
ICICI Bank
IDFC First Bank
Indian Bank
IndusInd Bank
JPMorgan Chase Bank
Karnataka Bank
Kookmin Bank
Kotak Mahindra Bank
Karur Vysya Bank
Qatar National Bank
State Bank of India
Union Bank of India
Yes Bank

DFI

International Finance Corporation (IFC; World Bank Group)
Asian Development Bank (ADB)
NABARD
SIDBI
Swedfund International AB

FIs / NBFCs / Others

Bajaj Finance
HDFC Mutual Fund
HSBC Mutual Fund
Kotak Mutual Fund
L&T Finance
Nabkisan Finance
Nabsamruddhi Finance
Nippon Mutual Fund
Poonawalla Fincorp
Royal Sundaram General Insurance
Sundaram Finance

Synthesising Proprietary Underwriting and Deep Tech

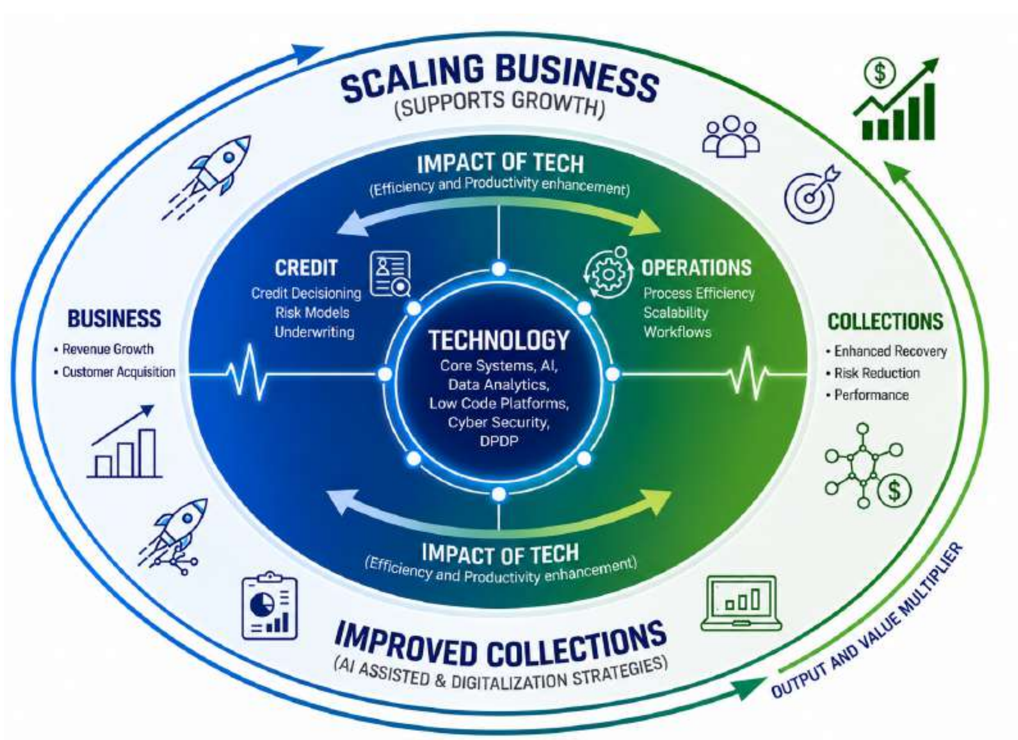
Technology Catalyst: From Foundational Automation to AI-Assisted Scale

From being the enabler for Business & Collections functions of the Company, Technology is emerging as the core strategic catalyst to support scalable business growth. By effectively leveraging the best-in-breed technology architecture – anchored by advanced AI capabilities, new-age low code platforms & robust cloud computing, Technology not just supports scale, but helps to propel it. Today, the Technology function supports Business and Collections to manage scale seamlessly & effectively and augment the other core functions like Credit and Operations in productivity enhancements and efficiency improvements.

The Technology Transformation Journey

Our Technology Strategy & Implementation Roadmap was built on a strong foundation of best-in-class Systems and Platforms and supported by four core pillars:

- Data
- Low-Code Development
- Artificial Intelligence
- Robust Cloud Infrastructure



The strategic investment in fully digitalizing and automating the Loan Origination Journey through Salesforce has enabled the Company to harness technology more effectively across Credit, Operations, Legal and other key functions – driving meaningful gains in productivity and efficiency. The Salesforce Loan Origination System has since been further strengthened through deeper integration with leading fintech, Gen AI, and banking partners, adding new capabilities at multiple stages of the loan processing journey.

This year, the Company has migrated its core Loan Management System to Oracle Flexcube, a leading Loan Servicing Platform used by many of the major financial institutions. This platform helps the Company to integrate with other core systems through APIs seamlessly, and lends itself to more flexible change management.

Some of the key strategic initiatives taken and the benefits reaped by the Company

Smart KYC Capture

Using custom LLMs for scanning documents during loan origination process has resulted in greater accuracy and cost efficiencies compared to traditional OCR based KYC document scanning.

Document Intelligence

Customized LLMs to scan, parse and compare system generated and manually scanned documents and validate them for correctness, completeness and accuracy, eliminating manual efforts completely. So far, a total of 5 lakhs documents have been processed through this module and helped the company in our journey towards First Time Right process.

Alternate Data Partnerships

Using Fintech partnerships, data from multiple alternate sources are automatically fetched during the loan processing journey, for better credit decisioning. In addition to the KYC related data, additional and relevant data from alternate sources are being processed to support Credit Underwriters in their decisioning.

Company has also successfully implemented a Gen AI based geo-location solution for mortgage property verification and has processed upwards of 5 lakhs geo-location data.

Enterprise API Gateway Layer

Salesforce MuleSoft API gateway platform is being used as the enterprise API gateway layer handling all the data traffic between Company's internal systems and all external partners, including Banks, Bureaus & Fintech partners. All the data exchange is handled through multiple security layers and data-in-transit is always encrypted ensuring protection and privacy of customer and company data. Nearly 200 API end points are being managed through our Gateway Layer, with over 5 lakhs monthly transaction volumes.

The Core pillars shaping the Technology Roadmap of the Company

Pillar 1
AI-Assisted Customer Journeys

GenAI driven document intelligence and vernacular voice capabilities to simplify onboarding and strengthen the loan origination experience.

1 **Smart KYC Capture**
GenAI-based scanning to accelerate KYC document review.

2 **Document Intelligence**
Intelligent processing to reduce manual effort and improve accuracy.

3 **Voice-to-Data Flow**
Voice-to-data integration within the core loan origination journey.

4 **Vernacular AI Voice Bots**
AI voice bots supporting Hindi, Tamil and Telugu customer interactions.

Pillar 2
Data & Risk Intelligence

Strengthening decision quality through scalable data architecture, real-time analytics and ML-led credit risk intelligence.

1

Enterprise Data Lake & Warehouse

Enabling data analytics, real-time reporting and readiness for future scale.

2

ML-Based Credit Risk Scoring

Applying machine learning models to support credit risk assessment and underwriting decisions.

3

Alternate Data Partnerships

Leveraging fintech partnerships to bring alternate data sources into the credit ecosystem.

Pillar 3
Digital Platforms & Ecosystem Integration

Scaling digital execution through low-code platforms, API-led journeys and deeper ecosystem integrations.

1

Unified Internal Applications

Enterprise-grade AI and low-code development platform for unified internal applications.

2

Account Aggregator Integration

Integrating with the Account Aggregator ecosystem in the credit underwriting journey.

3

Digital & Assisted Collections

Strategic fintech partnerships specialize in digital and assisted collection strategies.

4

Aadhaar Biometric e-KYC

Aadhaar biometric-based eKYC to simplify and strengthen customer onboarding.

Pillar 4
Secure Cloud Infrastructure

Building a secure, cloud-first foundation with strong identity, monitoring, privacy and API governance controls.

1

24x7 Security Operations

Round-the-clock monitoring of infrastructure and network traffic through a Security Operations Center.

2

DPDP Compliance Tooling

Digital Personal Data Protection compliance tooling to support privacy and regulatory readiness.

3

Enterprise API Gateway Layers

Gateway layers to manage North/South and East/West data traffic securely.

Corporate Social Responsibility

Projects undertaken since 2020

140 Projects

A strong portfolio of impact-driven projects across focus areas

₹ 72.61 Crores

1.34+ Lakhs
Beneficiaries Reached

Creating meaningful impact and transforming lives

Education
52 Projects

Empowering minds, building future-ready communities

Healthcare
29 Projects

Improving health outcomes and strengthening well-being

Livelihood
59 Projects

Enabling sustainable livelihoods and economic growth

CSR Reach

The Company remains committed towards being a socially responsible citizen and giving back its share to the society which is facilitated through its Corporate Social Responsibility ("CSR") activities. The Company's CSR activities aim towards creating sustainable value for society and contributing to inclusive growth. Guided by a strong sense of responsibility towards the communities in which it operates, the Company continues to strengthen its CSR initiatives, with CSR spending increasing year-on-year in line with the growth in profits and in compliance with the applicable provisions of the Companies Act, 2013.

The fundamental philosophy of the Company's CSR initiatives primarily focusses on three key thematic areas–healthcare, education, and livelihood enhancement. The Company will always accord priority to initiatives that create tangible, measurable, and sustainable outcomes, thereby improving the quality of life of beneficiaries while ensuring transparency, accountability, and effective utilisation of CSR resources.

The Company has established a dedicated CSR team to ensure the effective planning, implementation, monitoring, and evaluation of its CSR programmes. The team undertakes regular field visits to engage with communities, assess local requirements, and validate the needs of beneficiaries. This need-based approach enables the Company to identify and support projects that deliver meaningful and measurable social impact.

CSR proposals received from eligible beneficiary institutions are evaluated based on their relevance, potential impact, and alignment with the Company's CSR policy and the approved Annual Action Plan. Based on the recommendations of the CSR Committee, projects are approved and implemented in accordance with the applicable statutory requirements.

Thematic Category

Education

- School and College Education across various streams
- STEM Labs
- Smart Class
- Fellowship Programs

Healthcare

- Eye Care
- Multi-speciality
- Preventive Healthcare
- Intellectual Disabilities

Livelihood

- Skill development programs across various categories
- Enhancement of livelihood of marginal communities
- Income earning opportunities to special persons
- Elderly Care

Geographic Outreach

Empowering communities across regions through Education, Healthcare and Livelihood initiatives

Tamil Nadu & Pondicherry

Districts	Education	Healthcare	Livelihood	Total
Chennai	30	14	22	66
Coimbatore	2	-	9	11
Chengalpattu	1	4	4	9
Thiruvallur	2	1	5	8
Pondicherry	1	1	2	4
Tirunelveli	-	-	3	3
Kancheepuram	2	1	-	3
Ranipet	-	3	-	3
Tirupathur	2	-	-	2
Chidambaram	2	-	-	2
Dindivanam	-	-	2	2
Kallakurichi	-	1	1	2
Kodaikanal	1	1	-	2
Pudukottai	2	-	-	2
Thiruthani	1	-	1	2
Virudhunagar*	-	-	2	2
Dharmapuri	1	-	-	1
Erode	-	-	1	1
Kolli Hills	-	1	-	1
Mannargudi	-	1	-	1
Namakkal	1	-	-	1
Ramanathapuram*	-	1	-	1
Vellore	-	-	1	1
Total	**48**	**29**	**53**	**130**

**Aspirational District*

Andhra Pradesh

Districts	Education	Healthcare	Livelihood	Total
Vizianagaram*	-	-	1	1
Tirupathi	-	-	1	1
Chittor	-	-	1	1
Vizagapatinam	-	-	1	1
Total	**-**	**-**	**4**	**4**

Telangana

Districts	Education	Healthcare	Livelihood	Total
Hyderabad	-	-	2	2
Warangal	1	-	-	1
Total	**1**	**-**	**2**	**3**

Karnataka

Districts	Education	Healthcare	Livelihood	Total
Bengaluru	2	-	-	2
Total	**2**	**-**	**-**	**2**

Uttar Pradesh

Districts	Education	Healthcare	Livelihood	Total
Bhadoni	1	-	-	1
Total	**1**	**-**	**-**	**1**

Project 1

Partner Name: Ramakrishna Mission | **Location:** Chennai

About the Project: Smartboard to their Girls Higher Sec School - 9 Units

Impact: The smartboard sponsorship has enabled over 200 girls year on year to access interactive, technology-driven education, improving engagement, learning outcomes, and digital literacy.

Project 2

Partner Name: Thirumalai Charity Trust | **Location:** Ranipet

About the Project: Construction of Hospital

Impact: Financial support for the hospital construction has enabled 5,000+ underprivileged patients annually to access timely, quality, and affordable healthcare services, improving health outcomes and community well-being.

Project 3

Partner Name: Maithree | **Location:** Chennai

About the Project: Education and Skilling of Persons with Intellectual and Developmental Disability

Impact: The initiative significantly enhanced the quality of life of over 300 children with intellectual and developmental disabilities, enabling them to participate more actively and confidently in society.

Project 4

Partner Name: Bharatiya Vidya Bhavan | **Location:** Kodaikanal

About the Project: Infrastructure & Classroom Furniture Support for their Bhavans Gandhi Vidyashram

Impact: By upgrading classroom infrastructure and integrating smartboards and laptops, this initiative has created a modern, safe, and engaging learning environment for over 100 students year on year, enhancing educational outcomes and promoting digital inclusion.

Project 5

Partner Name: Multipurpose Integrated Developmental Society **|** **Location:** Chennai

About the Project: Construction of Apex Skill Development Centre for Women with Equipment's

Impact: The Apex Skill Development Centre empowers over 300+ women year on year by providing vocational training and modern equipment, fostering gender equality Sustainability Development Goals (SDG) 5, promoting economic independence and decent work opportunities (SDG 8), and reducing socio-economic inequalities in the community (SDG 10).

Project 6

Partner Name: Amenity Lifeline Emergency Response Team **|** **Location:** Chennai, Coimbatore & Pondicherry

About the Project: Empowering Community in Emergency Response, Road Safety, Defensive Driving Techniques and Vision Screening

Impact: This initiative has empowered over 4000 community members with emergency response skills, defensive driving knowledge, road safety awareness, and vision screening, enhancing safety, health, and resilience in communities.

Project 7

Partner Name: Annai Trust **|** **Location:** Ambasamudram, Tirunelveli District

About the Project: Installation of Houses in Kani Kudyiruppu (Kaani Tribal Village) in the Western Ghats of Tamil Nadu

Impact: Overall, the initiative has contributed to fostering dignity, stability, and long-term resilience among the 100 residents of Kanni Kudi Irupu, reinforcing our commitment to creating lasting social impact.

Project 8

Partner Name: Thalassemia Welfare Association **|** **Location:** Chennai

About the Project: Purchase of Medicines to Thalassemia Patients

Impact: The initiative has played a vital role in ensuring continuous and affordable access to essential medicines for over 200+ Thalassemia patients, leading to improved health stability, reduced treatment disruption, and enhanced quality of life.

Directors' Report

Directors' Report

Your Directors take pleasure in presenting the 42nd Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2026.

Financial Highlights

INR in crores

Particulars	FY 2025 - 26	FY 2024 -25
Total Revenue from Operations	3,245.97	2,866.02
Less: Total Expenses	1,783.15	1,435.43
Profit before tax	1,462.81	1,430.59
Tax expense	364.07	358.10
Profit after tax	1,098.75	1,072.49
Other comprehensive income	7.75	(2.90)
Total comprehensive income	1,106.49	1,069.59
Asset under management^	13,224.65	11,877.04

^ Loan portfolio on gross basis

Your Company has adopted Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015.

Industry Outlook

The NBFC sector has remained a pivotal contributor to India's GDP growth, supported by sustained credit traction in various asset classes. After a year of heightened portfolio stress, especially in microfinance and other unsecured loans, the current financial year seems to have shown signs of improvements in disbursements and asset quality, contributing to positive sectoral momentum.

Domestic demand remains the anchor for industry growth, fortified by conducive financial conditions, healthy balance sheets across banks and NBFCs and the government’s continued focus on capital expenditure. While geopolitical tensions and global market volatility pose lingering risks, the strong fundamentals of the Indian economy provide the resilience necessary to withstand external shocks. Following a 25bps repo rate cut in December to stimulate consumption, the rate remained unchanged at 5.25% as of March 31, 2026. The Monetary Policy Committee (MPC) has maintained a 'neutral' stance, retaining the flexibility to respond judiciously to the evolving growth-inflation outlook. The way forward will depend on the continued stability of macroeconomic indicators and the sustained recovery of global trade corridors.

The stress in asset quality experienced by Microfinance and unsecured loan providers right from FY2024-25 has had a cascading effect on secured lending operations especially for Companies providing smaller ticket loans, where the overlap with microfinance is a lot higher. This has caused your Company’s asset quality to show some deterioration during the current financial year. Your Company has taken various initiatives across customer sourcing, underwriting, collections, and risk management to ensure relatively lesser impact on asset quality and credit costs. Despite facing one of the most challenging years, your Company has been able to achieve 11% portfolio growth and 2% growth in PAT. The increase in GNPA and credit cost was also moderate and early indicators are already showing good improvement which should augur well for a good performance in the forthcoming financial year.

State of the Company's Affairs/Overview

Company Overview

The Company was incorporated on May 7, 1984. Your Company is a non-deposit taking Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India and is a NBFC – Investment and Credit Company (NBFC-ICC). Your Company has been classified as a NBFC in Middle Layer per Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025. The Company operates in ten states and one union territory and is into the business of providing secured loans for business & other purposes.

Your Company has been listed on the National Stock Exchange of India Limited and BSE Limited since November 21, 2022.

Review of Operations

Your Company remains dedicated to providing secured financial solutions to small business owners and self-employed individuals who typically operate outside formal credit channels. To bridge this gap, your Company utilizes a proprietary underwriting model that rigorously assesses borrower cash flows, supported by robust recovery mechanisms.

The risk-based pricing model implemented by your Company ensures that interest rates are aligned with customer profiles, credit bureau analytics and market demand. Building on an established presence in non-business lending - including education, emergency and housing needs -your Company strategically entered into pure housing loan products during FY 2026, expanding the credit products for both the existing base and prospective customers.

The financial year was characterized by specific headwinds stemming from the borrower overleverage crisis, that hit microfinance and unsecured loans in FY2025, and the cascading effect was felt by your Company in FY2026. This had an impact on collection efficiency, asset quality and credit cost. Consequently, your Company adopted a prudent approach, recalibrating its growth outlook to prioritize asset quality. Enhanced collection support and the strengthening of the legal and recovery verticals have ensured relatively less impact, leading to 11% AUM growth and 2% PAT growth for FY2026.

The detailed financial and operational performance of your Company is comprehensively discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Operational Metrics

Disbursements

During the financial year ended March 31, 2026, your Company disbursed INR 4,675.73 crores as compared to INR 4,969.66 crores in the previous financial year. This planned year-on-year moderation reflects a conscious decision to focus on collections and portfolio quality amidst sectoral stress. Your Company is fundamentally a collections-first Company, which reflected in a pullback of disbursements during FY2026. Your Company is also confident that, with improvement being witnessed in collections and asset quality, we would be able to accelerate on disbursements and portfolio growth during the forthcoming financial year.

Branch Metrics

Your Company operates across 10 states and 1 union territory, namely Tamil Nadu, Puducherry, Karnataka, Andhra Pradesh, Telangana, Maharashtra, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Rajasthan, and Gujarat. During the financial year ended March 31, 2026, your Company expanded its branch network to 844 branches, up from 748 branches in the previous year. During the year, the Company also closed/merged 3 branches.

Your Company's branch expansion approach works with twin objectives –

- Firstly, your Company adopted the "Split branch" strategy to ensure prudent risk management which ensures that branches that cross a certain size are split into multiple branches with a view to maintaining an optimal AUM / number of accounts per branch and also be close to the customer which also augurs well from the perspectives of customer service and risk management. Under this approach, a set of accounts are transferred from the existing to the new branch thereby ensuring that the new branch does not start from scratch and there is also space that is made available to the existing branches to enhance their AUM. Typically, a branch takes anywhere between 6-9 months to breakeven / start contributing to the P&L. If viewed against this background, about 95% of the branches opened between July 2024 and June 2025 i.e. branches that had crossed a vintage of 6 months as of March 2026 are profitable, not just on a standalone basis but even after allocation of common overheads.
- Secondly, your Company also put in fresh branches in newer areas both in entrenched and growing geographies keeping growth prospects in mind. By penetrating into newer areas, the business potential automatically gets enhanced.

To support future growth, your Company has strengthened its workforce in addition to enhancement of the branch network, ensuring a well-equipped team to meet rising demand.

Your Company follows a well-defined branch expansion strategy, carefully evaluating various risk parameters before establishing new locations.

The branch network details as of March 31, 2026, along with a comparative analysis of the previous financial year, are provided below:

States	No. of Branches	
	March 31, 2026	March 31, 2025
Tamil Nadu (including Pondicherry)	211	206
Andhra Pradesh	276	234
Telangana	120	115
Karnataka	62	59
Madhya Pradesh	111	94
Maharashtra	40	25
Chhattisgarh	3	3
Uttar Pradesh	12	6
Rajasthan	5	5
Gujarat	4	1
Total	844	748

Financial Metrics

As on March 31, 2026, Assets Under Management (AUM) stood at INR 13,224.65 Crores, reflecting a growth of 11 %. Your Company continues to maintain a robust capital position, with a Net Worth of INR 7,380.15 Crores. Profit After Tax (PAT) improved on a year-on-year basis and the Company remains focused on optimising the cost-to-income ratio, which stood at 41.82%. The average ticket size of loans has trended higher, increasing from INR 3.58 Lakhs to 3.93 Lakhs.

Asset Quality

Since inception, asset quality and collection efficiency have been the primary pillars of our growth strategy. This year, the industry-wide effects of overleveraging and the cascading impact on secured loans presented certain challenges to asset quality. To ensure minimal impact from this stress, your Company resorted to certain actions which have kept the impact relatively low. These actions have also been resulting in gradual improvement, and we are confident of continuing to see improvement in portfolio quality in the coming financial year. For the period ended March 31, 2026, your Company reported Gross Stage 3 Assets and Net Stage 3 Assets of 3.37% and 2.00% respectively, as compared to previous year's levels of 1.79% and 0.88%. While there has been an increase in GNPA and NNPA, the impact would seem fairly moderate especially if viewed in the context of the challenges that were faced by your Company during the current financial year.

Prospects

The Indian credit market continues to offer substantial growth prospects, particularly within the segment of micro-entrepreneurs and self-employed individuals who remain underserved by formal financial institutions. The Company observes increasing competition in the small to medium ticket property loans segment as more players recognise its inherent potential. To navigate this competitive landscape and mitigate market risks, your Company is continuously identifying innovative solutions and diversified product profiles to cater to evolving borrower needs. Management remains dedicated to executing strategic initiatives that sustain growth momentum and profitability, thereby reinforcing stakeholders' confidence and long-term value creation.

Resource Mobilization

Your Company maintains a resilient and well-diversified borrowing profile, leveraging multiple sources including capital markets, domestic and international financial institutions and banks.

At the shareholders' meeting held on September 9, 2025, a special resolution under Section 180(1)(c) of the Companies Act, 2013, was passed, authorizing the Board of Directors to raise borrowings exceeding the aggregate of paid-up share capital and free reserves and securities premium, up to INR 12,000 Crores.

As of March 31, 2026, your Company's total outstanding borrowings stood at INR 8,200.43 crores.

Your Company continues to adhere to a prudent Asset-Liability Management (ALM) strategy, to optimise funding costs while maintaining a comfortable liquidity cushion.

New lenders and developments during the Financial Year 2025-26: Total Borrowings and Term loan composition: During the financial year, your Company raised fresh borrowings aggregating to INR 2,906.33 Crores, including fresh term loans from banks and financial institutions amounting to INR 1,810 Crores. As of March 31, 2026, total outstanding borrowings stood at INR 8,200.43 Crores, with the weighted average tenure of fresh loans raised during the year of 63 months.

During the year, your Company further strengthened its liability profile by onboarding new lenders including the Asian Development Bank and Kookmin Bank, ensuring a stable foundation for forthcoming growth. Also of equal if not more importance has been the reduction in cost of incremental debt that was achieved by your Company during the current financial. As against a cost of incremental debt of 9.46% for the incremental borrowings raised in FY2024-25, the incremental borrowings for the current financial were onboarded at an all-inclusive pricing of 8.50%, a drop of 96 bps.

Securitization: Your Company actively utilised the Securitization (PTC) market to enhance liquidity and mitigate asset-liability mismatches.

During the year, your Company securitized receivables worth INR 748.12 Crores, realizing a sale consideration of INR 643.00 Crores. All securitization transactions complied with the RBI guidelines on the Securitization of Standard Assets and were accounted for in accordance with Indian Accounting Standards (Ind AS).

Debentures: Your Company has not issued any fresh debentures during financial year 2026.

Commercial Paper (CP)

Your Company did not issue any Commercial Papers or other short-term instruments during the financial year ended March 31, 2026.

The borrowing mix as on March 31, 2026 stood as follows:

Lender Category	%
Banks	53%
NBFCs	5%
DFIs / Others	10%
NCD	10%
Securitisation	17%
ECB	6%

Statutory and Regulatory Compliances

Your Company remains committed to full compliance with all applicable regulatory provisions, including those set forth by the Reserve Bank of India (RBI), SEBI (LODR) Regulations, 2015, Companies Act, 2013, Foreign Exchange Management Act (FEMA), 1999, Income Tax Act, 1961 and the rules and regulations framed thereunder.

Additionally, your Company has adhered to the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) for Board and General meetings held during the FY 2025-26.

Credit Rating

During the financial year, your Company's credit ratings were reaffirmed at AA- (Double A Minus) with Stable outlook by ICRA, and AA- (Double A Minus) with positive outlook by CARE Ratings Limited and India Ratings & Research (Fitch Group).

As of March 31, 2026, your Company's borrowings hold the following ratings:

Rating Agency	Instrument	Rating
ICRA	Bank Facilities	ICRA AA- (Stable)
	Non-Convertible Debentures	ICRA AA- (Stable)
	Securitization	ICRA AAA (SO) / AA+ (SO) / AA (SO)
India Ratings & Research	Bank Facilities	IND AA-/Positive
	Non-Convertible Debentures	IND AA-/Positive
CARE	Long term Bank Facilities	CARE AA-; Positive
	Long term/Short term Bank facilities	CARE AA-; Positive / CARE A1+
	Commercial Paper	CARE A1+
	Securitization	CARE AAA (SO)

Change in Nature of Business

There has been no change in the existing nature of business of your Company during the financial year ended March 31, 2026.

Dividend

The Board of Directors at its meeting held on April 28, 2026 has recommended a final dividend of INR 2/- per equity share (200% of face value of INR 1/- per equity share and translating to a dividend payout ratio of 5.4%) for the financial year ended March 31, 2026 to the shareholders of the Company for approval at the ensuing 42nd Annual General Meeting.

Dividend Distribution Policy

Your Company has adopted a Dividend Distribution Policy, which provides a structured approach for determining dividend payouts. The policy considers various internal and external factors, including financial performance, growth strategy, regulatory requirements and prevailing market conditions as evaluated by the Board of Directors. The policy is available on our website at https://fivestargroup.in/wp-content/uploads/2026/05/Dividend-Distribution-Policy-April-28-2026.pdf

Transfer to Reserves

In compliance with the requirements under the Reserve Bank of India Act, 1934, your Company has transferred a sum of INR 219.75 Crores to the statutory reserves during the financial year ended March 31, 2026.

Deposits

Your Company operates as a non-deposit taking entity and has not accepted any public deposits during the financial year ended March 31, 2026, in accordance with applicable regulatory requirements.

Capital Adequacy Ratio

As of March 31, 2026, your Company's Capital Adequacy Ratio stood at 51.89%, significantly exceeding the regulatory threshold of 15% mandated by the Reserve Bank of India (RBI).

Your Company's Internal Capital Adequacy and Assessment Process (ICAAP) confirms that the Company remains well capitalized to support its business objectives and risk profile.

Share Capital

Authorised Capital

During the year under review, there was no change in the Authorised Share Capital of the Company. The Company has only one class of equity shares and the authorised share capital of the Company as on March 31, 2026, was INR 55,00,00,000 divided into 55,00,00,000 equity shares of INR 1 each.

Issued, Subscribed and Paid-up Share Capital

During the financial year under review, your Company has allotted 4,38,178 fully paid-up equity shares under various ASOP schemes. 15,918 fully paid -up equity shares under Five-Star Associate Stock Option Scheme 2015 and 4,22,260 fully paid -up equity shares under Five-Star Associate Stock Option Scheme 2018 were allotted during the financial year under review.

During the financial year under review, 3,10,000 share warrants were converted into 3,10,000 fully paid-up equity shares upon exercise of conversion rights by Mr. Lakshmipathy Deenadayalan, Chairman & Managing Director, and Mr. Srikanth Gopalakrishnan, Joint Managing Director & CFO, in accordance with the terms of issue. The equity shares so allotted rank pari passu with the existing equity shares of the Company.

The issued, paid up and subscribed capital as on March 31, 2026 stood at INR 29,51,75,278 consisting of 29,51,75,278 equity shares having a face value of INR 1.00 each.

Subsidiaries, Joint Ventures, Associate Companies

Your Company does not have any Subsidiary/Associate/ Joint Venture Company. Also, during the financial year, your Company has not formed/incorporated/become/ceased to be a Subsidiary/ Associate/Joint Venture Company.

Related Party Transactions

Your Company has in place a policy on related party transactions, as approved by the Board, which is available on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Related-Party-Transactions-Policy-April-28-2026.pdf

In alignment with the Company's Policy on Related Party Transactions, during the year under review, all related party transactions were entered into at arm's length and in the ordinary course of business. There were no materially significant transactions with Promoters, Directors, Key Managerial Personnel (KMP) or other designated persons that posed a potential conflict of interest with the Company.

Further, no contracts or arrangements were entered into with related parties that require disclosure in Form AOC - 2 under Section 188 (1) and 134 (3) (b) of the Companies Act, 2013.

All transactions received prior approval from the Audit Committee and were subject to subsequent quarterly reviews to ensure continued adherence to the policy.

Employee Stock Option Schemes

Your Company has adopted ASOP schemes in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI (SBEB) Regulations) and the Companies Act, 2013.

Currently, your Company has formulated following ASOP schemes:

1. Five-Star Associate Stock Option Scheme 2015 (ASOP 2015)
2. Five-Star Associate Stock Option Scheme 2018 (ASOP 2018) and
3. Five Star Associate Stock Option Scheme 2023 (ASOP 2023)

Approval and Implementation

- ASOP 2015 : Approved by the Board of Directors on September 18, 2015 and by the shareholders at the Extraordinary General Meeting (EGM) on April 12, 2016 and later ratified in the Annual General Meeting held on September 16, 2023.
- ASOP 2018: Approved by the Board of Directors on February 28, 2018 and by the shareholders at the Extraordinary General Meeting held on March 26, 2018. It was subsequently ratified at the Annual General Meeting held on September 16, 2023.
- ASOP 2023: Approved by the Board of Directors on August 16, 2023 and by the shareholders at the Annual General Meeting held on September 16, 2023.

There have been no material changes to these schemes during the financial year ended March 31, 2026.

A certificate from secretarial auditor M/s Sandeep & Associates, Practicing Company Secretaries confirming the implementation of ASOP schemes in accordance with SEBI (SBEB) Regulations and shareholders resolutions, will be placed before the shareholders at the Annual General Meeting, and will be available for inspection of shareholders at the ensuing annual general meeting

In compliance with Regulation 14 of SEBI (SBEB) Regulations, disclosures regarding ASOP 2015, ASOP 2018 and ASOP 2023 have been provided on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/ESOP-Disclosure-2026.pdf

Annual Return

The Annual Return in form MGT 7 referred to in Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 62(1) (K) of the SEBI (LODR) Regulations, 2015 is available on the website of the Company at https://fivestargroup.in/annual-reports-returns/

Particulars of Loans, Guarantees or Investments

The Company being an NBFC, the disclosures regarding particulars of loans given, guarantees given and security provided is exempted under Section 186(11) of the Companies Act, 2013. With regard to Investments made by the Company, the details are provided in note no. 7 of the financial statements.

Material Changes Affecting the Financial Position of the Company

There are no material changes and commitments having an adverse bearing on the financial position of the Company between March 31, 2026, and the date of this report.

Information as per Section 134(3)(m) of the Companies Act, 2013

While the Company's operations as a financial institution do not involve manufacturing or high-energy consumption, your Company remains committed to resource conservation and environmental responsibility. Your Company continually leverages technology to digitize the workflows, thereby reducing carbon footprint. During the financial year, the Company incurred a foreign currency expenditure of INR 14.40 Crores primarily relating to IT Licensing fees and interest outflow on account of external commercial borrowings availed by the Company. There are no foreign exchange earnings during the financial year.

Information as per clauses (xi) and (xii) of Rule 8(5) of the Companies (Accounts) Rules, 2014

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year ended March 31, 2026.

The Company has not entered into any one-time settlement with its lenders during the financial year ended March 31, 2026, and therefore the requirements of clause (xii) of Rule 8(5) of the Companies (Accounts) Rules, 2014 are not applicable.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company's and its future operations.

Agreements binding on listed entities

There are no agreements between shareholders, promoters, related parties, Directors, or employees, either amongst themselves or with the Company, impacting management control, restrictions or liabilities that require disclosure to Stock Exchanges. This includes agreements with the listed entity, holding companies, subsidiaries, or associates.

Risk Management

Your Company has established a comprehensive Risk Management Framework designed to identify, assess, and mitigate risks associated with its operations. This framework is supported by a Risk Management Policy, which outlines the governance structure, risk classification, mitigation strategies, and the role of the Chief Risk Officer (CRO) in overseeing risk-related functions.

The Risk Management Committee (RMC) is responsible for monitoring and reviewing the Company's risk management initiatives. In compliance with the Reserve Bank of India (RBI) Master Directions and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the RMC regularly evaluates key risks and ensures the effective implementation of risk-mitigation strategies.

The adequacy of internal financial controls concerning financial statements has been assessed, and details are provided in the Management Discussion and Analysis section of this Report.

Risk Management Approach

Your Company acknowledges that a well-defined risk management approach is essential for sustainable growth. Accordingly, robust policies, systems, and processes have been implemented to manage various risk categories, including credit risk, operational risk, market risk (interest rate and liquidity), and reputational risk. The MDA also contains details of the Company's risk management framework, including the development and implementation of risk management policy and the key risks faced by the Company.

Key Risk Mitigation Measures

Credit Risk Management:

- A multi-layered underwriting process that includes comprehensive credit bureau checks, field investigations and adherence to the "3 Cs" framework–verification of Character, Cash Flow and Collateral, before the sanction of a loan.
- Stringent verification procedures, prudent loan-to-value (LTV) ratios and a conservative debt service capacity analysis to ensure borrower creditworthiness.
- Legal due diligence and robust documentation to safeguard lending practices.
- Loans are provided to the household as against to an individual, which ensures collective decision making and avoid potential conflicts which may lead to asset quality issues.
- Your Company resorts to the registered mortgage on the security rather than an equitable mortgage. This helps evidence your Company's charge on the property and avoids multiple charges on the same property.

Risk Oversight & Governance:

The Company has strong multi layered risk oversight and governance

1. Risk Management Committee

The Risk Management Committee (RMC) ensures continuous monitoring of credit risk, portfolio performance and operational risks, providing strategic direction to mitigate potential threats. Risk Management Committee is Chaired by Mr. TT Srinivasaraghavan, Independent Director.

A dedicated Chief Risk Officer (CRO) oversees risk identification, measurement, and control, ensuring timely risk reporting to the RMC, Board and the management.

2. Audit Committee

The Audit Committee being the most important constituent of "those charged with Governance (TCWG)" meticulously reviews the financial reporting and also ensures that necessary internal controls are in place to ensure proper accounting of transactions. The Chairperson of the Audit Committee engages with the Statutory Auditors, Internal Auditors (both EIA and IIA) to discuss key aspects of the financials thus bringing a clear focus and oversight over financial reporting and updates the Board on the same. While the entire Board qualifies as "those charged with governance", the Audit Committee is responsible for reviewing and recommending the financial results to the Board for its approval and hence the Board has authorised the Audit Committee to engage in a two-way communication with Auditors on any information relevant to the audit to fulfil the responsibility for oversight of the financial reporting. The Audit Committee is chaired by Mr. Anand Raghavan, Independent Director

3. IT Strategy Committee

The IT Strategy Committee is a key pillar of the Company's governance framework, providing strategic oversight of technology to support business growth, operational resilience, risk management, and regulatory compliance. The Committee periodically reviews the IT strategy and roadmap, IT governance, technology investments, key IT projects, cybersecurity and information security, business continuity and disaster recovery, IT operations and infrastructure, emerging technologies including Artificial Intelligence, technology architecture, IT policies, and the implementation of applicable RBI Information Technology Directions. The Committee is chaired by Mr. Ramkumar Ramamoorthy, Independent Director.

4. Other Pillars of Governance

The other pillars of governance includes various sub-committees of the Board including the Nomination and Remuneration Committee, Stakeholders Relationship Committee, functional departments like Finance, Internal Audit, Compliance, Risk Management and Customer Grievance departments as these play a pivotal role in strengthening the governance framework. Each of these pillars provides a periodic update to the Board on progress in respective areas like employee compensation and welfare, risk management, shareholder grievances, financial reporting, policy compliance, timely adherence to customer grievances and customer satisfaction and compliance with applicable laws etc.

Market & Liquidity Risk Management

The Asset Liability Committee (ALCO) actively manages liquidity risk and interest rate exposures to maintain financial stability.

A well-diversified funding strategy ensures optimal liquidity planning.

Fraud Risk Management:

In accordance with RBI Master Directions, a Committee of Executives for monitoring and follow up of fraud cases (Fraud Risk Management Committee) has been constituted to proactively identify, monitor, and mitigate fraud risks by reviewing early warning signals and strengthening preventive mechanisms.

Your Company remains committed to enhancing its risk management framework to adapt to evolving business dynamics and regulatory landscapes. A continuous review mechanism ensures that risks are effectively mitigated while maintaining a resilient operational model

Human Resource Development

The employees of the Company are the cornerstone of your Company's success. As of March 31, 2026, your Company had a strength of 14,159 dedicated employees. Your Company remains committed to attracting and retaining top talent through competitive compensation, structured career progression and a culture of continuous learning. Detailed analysis of Human Resources including various sub-functions carried out by the department is discussed under Management Discussion and Analysis.

During the year under review, your Company had launched an Employee Learning Platform to provide specialized training across various functional areas, including but not limited to risk assessment, regulatory compliance and leadership ensuring the team is well-equipped to drive the Company's growth trajectory.

Board of Directors

Your Company maintains a well-balanced and diverse Board in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board comprises an optimal mix of executive, non-executive and Independent Directors, including Woman Independent Director, ensuring a broad spectrum of expertise, strategic insight, and corporate governance best practices.

The Board members bring extensive industry experience, leadership acumen and a commitment to upholding the highest standards of integrity and governance. Their collective expertise spans diverse domains, enabling well-informed decision-making that aligns with the Company's long-term vision and stakeholder interests.

To facilitate seamless participation, the Company provides video conferencing and other audio-visual means for Board meetings, in accordance with Section 173(2) of the Companies Act, 2013, read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. This ensures that Directors can actively contribute to discussions and deliberations, even when unable to attend meetings in person.

Your Company remains committed to fostering an engaged, forward-thinking and highly effective Board that drives sustainable growth and governance excellence.

The Board of Directors comprises 8 (eight) Directors, including 5 (five) Independent Directors (two of whom are woman), [1 (one)] Non-Executive Director, and 2 (two) Executive Directors (Chairman & Managing Director and Joint Managing Director & CFO), as of March 31, 2026. Details on the Board composition are provided below:

Name of the Director	Designation	DIN
Lakshmipathy Deenadayalan	Chairman & Managing Director	01723269
Anand Raghavan	Independent Director	00243485
T T Srinivasaraghavan	Independent Director	00018247
Bhama Krishnamurthy*	Independent Director	02196839
Ramkumar Ramamoorthy	Independent Director	07936844
Rajeshwari Shankar	Independent Director	01573029
Thirulokchand Vasan	Non-Executive Director	07679930
Srikanth Gopalakrishnan	Joint Managing Director & CFO	10636810

**The 10-year term of Ms. Bhama Krishnamurthy has ended on April 11, 2026*

Detailed profile of the Directors and their Directorships in other Companies is hosted on the website of the Company.

Changes in the Composition of Board during the Financial Year

The following changes took place in the composition of the Board of Directors during the Financial Year 2025-26 under review:

New Appointments

During the year under review, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 28, 2026 approved the appointment of Ms. Rajeshwari Shankar (DIN:01573029) as an Additional Director, designated as a Non-Executive Independent Director, for a term of five consecutive years from February 2, 2026 to February 1, 2031 (both days inclusive), and the re-appointment of Mr. Srinivasaraghavan Thiruvallur Thattai (DIN: 00018247) as a Non-Executive Independent Director for a second term of five consecutive years from August 25, 2026 to August 24, 2031 (both days inclusive), subject to the approval of the Members.

The aforesaid approvals were subsequently obtained from the Members by way of special resolutions passed through postal ballot on March 21, 2026, pursuant to which Ms. Rajeshwari Shankar was regularised as a Non-Executive Independent Director of the Company and Mr. Srinivasaraghavan Thiruvallur Thattai was re-appointed for a second term as a Non-Executive Independent Director. The special resolution for re-appointment has been obtained in compliance with Section 149(10) of the Companies Act 2013 and Regulation 17(1A) and Regulation 25 of SEBI LODR Regulations

Resignations

During the financial year under review, Mr. Rangarajan Krishnan (DIN: 07289972), who served as the Joint Managing Director and Chief Executive Officer, tendered his resignation from his position w.e.f August 14, 2025.

Changes in the Board after the Financial Year:

Ms. Bhama Krishnamurthy (DIN: 02196839) has completed her second term of five consecutive years as an Independent Director and ceased to be an Independent Director of the Company with effect from the close of business hours on April 11, 2026

Director Retiring by Rotation

In accordance with Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, at least one-third of the Directors, excluding Independent Directors, are required to retire by rotation at every Annual General Meeting (AGM).

Pursuant to said provision, Mr Thirulokchand Vasan (DIN: 07679930) is liable to retire at the 42nd Annual General Meeting (AGM) and being eligible, has offered himself for reappointment. The Board recommends his reappointment for the approval of the shareholders.

Key Managerial Personnel

During the financial year under review, Mr. Rangarajan Krishnan, Joint Managing Director and Chief Executive Officer (DIN: 07289972), resigned from the services of the Company. As in the past financial years, Mr. Lakshmipathy Deenadayalan, Managing Director, continues to spearhead the business and operations of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules made thereunder, the following are the Whole-time Key Managerial Personnel of the Company as on March 31, 2026:

a) Mr. Lakshmipathy Deenadayalan, Chairman and Managing Director (DIN: 01723269)

b) Mr. Srikanth Gopalakrishnan, Joint Managing Director and Chief Financial Officer (DIN: 10636810)

c) Mr. Vigneshkumar S M, Company Secretary and Compliance Officer.

There have been no changes in the Key Managerial Personnel of the Company between the end of the financial year and the date of this report.

Declaration from Independent Directors

Pursuant to Section 149(7) of the Companies Act, 2013 read along with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013 and Regulation 25(8) of the SEBI (LODR) Regulations, 2015, the Company has received necessary declarations/ disclosures from each of the Independent Directors of the Company stating that he/she meets the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and that he/she has a valid certificate of registration for his/her enrollment into the data bank for Independent Directors.

In the opinion of the Board of Directors, the Independent Directors of your Company satisfy the necessary attributes as to integrity, experience (including proficiency) and high levels of skill and expertise.

Compliance with Secretarial Standards

During the Financial year under review, the Company has complied with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and adopted under the Act.

Formal Annual Evaluation

In compliance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the Company's Directors Appointment, Remuneration and Evaluation Policy, the Board carried out a formal annual evaluation of its own performance as well as the performance of individual Directors, including the Chairman and its various Committees.

This structured assessment was carried out based on the predefined evaluation criteria set forth in the Directors Appointment, Remuneration and Evaluation Policy. The said policy is available on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Appointment-Remuneration-Evaluation-Policy-April-28-2026-1.pdf

Additionally, the performance evaluation of Independent Directors was carried out by the entire Board. The Independent Directors in a separate meeting held during the year, reviewed the performance of Non- Independent Directors (including Chairman) and assessed the overall effectiveness of the Board. Key areas of evaluation included the quality, timelines and adequacy of information exchange between Management and the Board. The performance evaluation was carried out through Independent external agency as per the criteria laid and the same is reviewed by the Nomination and Remuneration Committee and the Board. The evaluation process was conducted through a secure digital platform, ensuring transparency and confidentiality.

Internal Financial Controls

Your Company maintains a comprehensive Internal Financial Control (IFC) framework , supported by well-defined policies and processes to uphold the highest standards of integrity, transparency and corporate governance. These controls are designed to :

- Facilitate efficient business operations and policy compliance.
- Safeguard corporate assets against misuse or unauthorized access.
- Prevent and detect fraud and Financial irregularities.
- Ensure accurate and complete financial records.
- Ensure timely preparation of reliable financial information.

To strengthen its control environment, the Company has established clear delegations of authority, standard operating procedures (SOPs) and risk control matrices. These measures are regularly reviewed at multiple levels. Independent testing of control measures is conducted periodically to ensure continued compliance with regulatory and operational requirements.

An independent consulting firm provides ongoing support in updating risk control metrics, test plans and independent assessment procedures. The findings and recommendations from these evaluations are periodically presented to the Audit Committee for review and necessary action.

Additionally, the Company has built a robust Internal Audit mechanism, with regular audits conducted by both in- house Internal Audit team and External Internal Auditors. The Audit Committee closely monitors financial controls, risk management, compliance and operational procedures, reviews audit findings and ensures implementation of corrective actions wherever necessary.

Auditors & Auditor's report

Statutory Auditors

In compliance with the Reserve Bank of India's Guidelines on appointment of Statutory Auditors for Non-Banking Financial Companies vide Circular RBI/2021-22/25 Ref. No. DoS.CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, and pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members at the Annual General Meeting held on September 13, 2024 approved the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), as the Statutory Auditors of the Company for a term of three consecutive financial years, i.e., from FY 2024-25 to FY 2026-27, to hold office from the conclusion of the 40th Annual General Meeting till the conclusion of the 43rd Annual General Meeting.

Statutory Auditors Report on Financial Statements

The statutory audit report is annexed with the financial statements and forms a part of this report. The report indicates a clean audit with no qualifications, reservations, adverse remarks, or disclaimers.

Fraud Reported by Auditors

There were no instances of frauds reported by the Statutory Auditors during the financial year ended March 31, 2026 under Section 143(12) of the Companies Act, 2013.

Internal Auditor

To ensure the effectiveness of internal control systems, your Company maintains a robust internal audit system, combining an external audit firm viz. M/s Sundaram & Srinivasan, Chartered Accountants with an in-house internal audit team. This comprehensive approach ensures thorough review of all operations of the Company regularly. The audit teams regularly assess the adequacy of control measures and recommend improvements as needed. The Audit Committee oversees the internal audit functions, scope of internal audit and reviews its effectiveness.

Secretarial Auditor

M/s S. Sandeep & Associates, Practicing Company Secretaries, have been appointed to conduct the secretarial audit of the Company for the financial years from FY 2025-26 to FY 2029-30, in accordance with the provisions of Section 204 of the Companies Act, 2013, the rules made thereunder, and Regulation 24A of the SEBI (LODR) Regulations, 2015.

The Secretarial Audit Report for the financial year ended March 31, 2026, is annexed herewith as **Annexure A** and does not contain any qualifications, reservations, or adverse remarks.

Cost Records and Cost Audit

The provisions for maintaining cost records and undergoing a cost audit, as per Section 148(1) of the Companies Act, 2013 are not applicable to your Company's business activities.

Information Technology

Technology is central to our business strategy, driving effectiveness, efficiency and innovation across the entire loan lifecycle–from underwriting to collections. Your Company has implemented a robust IT framework that supports seamless business processes across all functions–from sourcing, underwriting, loan approvals, disbursements, collections and back-office operations, providing a unique experience to all stakeholders along with high levels of security and privacy. Your Company uses a robust Loan Origination System that integrates with banks, bureaus, account aggregators, and data providers to streamline loan processing. This is complemented by a secure API ecosystem wherein multiple, high-security API integrations have been made that automate the capture of high-fidelity data across all touchpoints. All these reside on a resilient, secure, and highly scalable cloud infrastructure that has been designed for 24/7 availability.

The entire journey from lead login to disbursement is fully digitized eliminating manual friction. Real-time connectivity with Credit Bureaus, Account Aggregators, Banks, and third-party data providers facilitate instant verification.

Your Company has made significant progress leveraging data and analytics, and a data lake that powers advanced machine learning (ML) models to deliver precise predictive behaviour and risk scoring has been developed by your Company. Your Company has also developed proprietary ML models tailored for Credit Risk Scoring to augment the underwriting process. On the collections front, partner assisted models for Bounce Prediction Analytics have been developed to leverage technology for automated collections and support field collection officers to improve efficiency and productivity.

With AI becoming the new business enabler / disruptor, your Company has also been making strong progress on the AI front by reviewing the architecture, governance, risk and accountability parameters. Your Company has taken a number of initiatives, including the following:

- Intelligent Document Processing through GenAI-driven extraction to automate data capture and improve data quality and accuracy.
- GenAI-enabled bots have been deployed in local languages for automated collections
- Your Company is also working with specialized product platforms to convert voice conversations with customers and field staff, in local languages, into actionable data.

On IT infrastructure, the IT Strategy Committee oversees IT governance, cybersecurity and business continuity to ensure a secure and scalable technological environment. Your Company has also employed a Security Operations Centre providing 24X7 surveillance across the entire digital perimeter. This includes continuous monitoring of cloud environments to prevent unauthorized access or misconfigurations, real-time threat detection and mitigation at the network and application layers to safeguard against zero-day vulnerabilities. Given the heterogenous footprint of technologies and IT systems as well as integration of systems with external partners, the IT Strategy Committee periodically reviews the enterprise architecture for dependencies and interoperability and reviews the regular vulnerability assessments and penetration testing to identify and minimize any internal or external threats. An independent information systems audit was also conducted during the year, the findings of which are elaborately discussed, and actions are taken within defined timelines.

The company engaged a Big 4 audit firm to conduct a comprehensive DPDPA Gap Assessment evaluating our organizational readiness and baseline data processing workflows, which was completed in December 2025. Following this, a prioritized Compliance Plan was formulated outlining the roadmap to achieve full compliance as a Data Fiduciary. Initial compliance plan activities including drafting foundational policies, updating Data Processing Addendums (DPAs) for third-party vendors, executing cross-functional data inventory exercises, and mapping data collection touchpoints for the Record of Processing Activities (ROPA) have all been completed.

Technical architecture standardization for the DPDPA platform is complete, and solutioning is in progress. The formal appointment of the Data Protection Officer (DPO) will follow in the next phase. All remaining milestones are planned for completion before the mandated May 2027 timeline.

Corporate Social Responsibility (CSR)

Your Company is committed to fulfilling its social responsibility obligations. Your Company has adopted a CSR Policy as mandated by the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Corporate-Social-Responsibility-Policy.pdf

As per aforesaid provisions of the Companies Act, 2013, your Company was required to spend INR 22.34 crores towards CSR initiatives, representing 2% of the average net profits of the Company from the past three financial years. Your Company contributed INR 17.90 crores towards Corporate Social Responsibility (CSR) during the financial year ended March 31, 2026. Balance amount of INR 4.44 crores have been transferred to unspent corporate social responsibility account towards ongoing projects for the financial year 2025-26. Details of the various CSR programme/projects approved during financial year 2025-26 is available on the website of the Company in Corporate Social Responsibility section.

Pursuant to Section 135 of the Companies Act 2013, the Company has engaged M/s Chrysalis Services Private Limited to conduct an Impact Assessment on applicable CSR projects. The impact assessment report is displayed on the website of the Company in Corporate Social Responsibility section.

The Annual Report on CSR activities for the financial year ended March 31, 2026, is attached as **Annexure B** to this Report.

Nomination and Remuneration Policy:

The Company has in place the Appointment, Remuneration & Evaluation Policy that is recommended by the Nomination and Remuneration Committee and approved by the Board. The salient features of the policy include a) role of Nomination and Remuneration Committee b) Appointment and removal of Director, Key Managerial Personnel and Senior Management c) Remuneration of Executive/Non-Executive Directors and Key Managerial Personnels and Senior Management d) Principles of pay structures and e) malus and claw back provisions. The policy is being reviewed and approved by the Nomination and Remuneration Committee and the Board of Directors annually. The policy is available on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Appointment-Remuneration-Evaluation-Policy-April-28-2026-1.pdf

Whistle Blower Policy & Vigil Mechanism

As per the provisions of Section 177(9) of the Companies Act, 2013, and Regulation 22 of the SEBI (LODR) Regulations, 2015, your Company has established a Vigil Mechanism and has adopted a Whistle Blower Policy for Directors and employees to report their genuine concerns. The Whistle Blower Policy has been formulated with a view to providing a mechanism for employees and Directors to approach the Audit Committee of the Company. The said policy is available on the website of the Company at https://fivestargroup.in/storage/2026/05/Whistle-Blower-Policy-Vigil-Mechanism-April-28-2026.pdf

The Vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and Directors and also provides direct access to the Chairperson of the Audit Committee in exceptional circumstances. During the financial year, no complaints were received by the Company and no complaints are outstanding as on March 31, 2026

Board & its Committees

During the financial year ended March 31, 2026, 6 (Six) Board Meetings were held on April 29, 2025, July 28, 2025, September 20, 2025, October 29, 2025, January 28, 2026, and March 17, 2026, and not more than 120 days elapsed between any two meetings.

The details of the composition of the Board and its Committees, terms of reference of the Committees and the details of meetings held during the financial year are furnished in the Corporate Governance Report.

Management Discussion and Analysis

The Management Discussion and Analysis (MDA) Report, providing a comprehensive overview of the Company's business performance, industry trends, opportunities and risks , is attached as **Annexure C** and forms an integral part of this report.

Corporate Governance

Your Company remains steadfast in its commitment to upholding the highest standards of Corporate Governance, ensuring adherence to all applicable laws and regulations. A detailed Corporate Governance report is enclosed as **Annexure D** and forms part of this report.

As required under Regulation 17 (8) of SEBI (LODR) Regulations, 2015, the Managing Director and the Chief Financial Officer (CFO) have submitted a compliance certificate to the Board, confirming the accuracy of financial statements and compliance with regulatory requirements.

Additionally, a Certificate from a Practicing Company Secretary, affirming the compliance with Corporate Governance norms under SEBI (LODR) Regulations, 2015, is annexed to the Corporate Governance report.

Business Responsibility and Sustainability Reporting

As per Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the top 1,000 (one thousand) listed entities based on market capitalization shall attach a Business Responsibility and Sustainability Report (BRSR) as part of their Annual Report, describing the environmental, social and governance initiatives undertaken by the listed entities.

In line with this regulation, your Company has put together a BRSR report (along with an Environmental, Social & Governance (ESG) report) which outline the initiatives undertaken by your Company across these 3 key parameters. The BRSR report also forms part of this report as **Annexure E**.

The reasonable assurance certificate on BRSR core is applicable for the financial year 2026. Accordingly, the certificate issued by M/s SGS India Private Ltd, reasonable assurance provider forms part of the Business Responsibility and sustainability report.

Disclosures under POSH Act, 2013

The Company has in place a policy for Prevention of Sexual Harassment at the workplace in accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). This policy is available on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Policy-on-Prevention-of-Sexual-Harassment-April-28-2026.pdf

The Company has constituted Internal Complaints Committees (ICC) as mandated by the POSH Act to address and resolve any complaints related to workplace harassment.

During the financial year, no complaints were received and no outstanding complaints as on March 31, 2026.

Compliance affirmation on Maternity Benefit Act:

The Company is in full compliance with the Maternity Benefit Act, 1961 and is currently establishing crèche facilities at the corporate office.

Particulars of Employees and Related Disclosures

In accordance with Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures related to the remuneration of Directors, Key Managerial Personnel and employees are provided in **Annexure F** of this report.

Further, details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available for inspection at the Registered Office of the Company during working hours for a period of 21 days prior to the Annual General Meeting. In accordance with Section 136 of the Act read with the said Rule, this statement is not included in the Directors' Report sent to the shareholders. However, members interested in obtaining a copy may request for the same by e-mailing the Company secretary.

Investor Relations

Your Company remains committed to transparent communication and proactive engagement with investors, analysts and stakeholders. By fostering an open and informed dialogue, your Company ensures clarity and accessibility in financial and operational disclosures.

Key investor engagement initiatives include:

- **Website Disclosures:** All relevant investor-related information are promptly published on the Company's website to ensure easy and unrestricted access.
- **Stock Exchange Notifications:** Timely and proactive disclosures to stock exchanges regarding earnings calls, quarterly and annual financial results and material developments that could impact the value of securities.
- **Investor and Analyst Meetings:** The Company regularly discloses to stock exchanges details of scheduled interactions with investors and analysts who wish to engage with the management team of the Company.

Your Company strongly believes that informed investors contribute to a well-functioning capital market and remains dedicated to equipping stakeholders with the information needed to make sound investment decisions.

Directors' Responsibility Statement

The Board of Directors have instituted / put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant Board Committees, including the Audit Committee and independently reviewed by the auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a going concern basis;

e. the Directors have laid down internal financial controls, which are adequate and operating effectively and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors wish to thank the shareholders, customers, employees, bankers, non-bank lenders, mutual funds, financial institutions, debenture trustees, R&T agents, credit rating agencies and auditors for their co-operation and continued support to the Company. The Directors also thank the employees for their contribution during the financial year ended March 31, 2026.

For and on behalf of the board of Directors
Lakshmipathy Deenadayalan
Chairman & Managing Director
DIN: 01723269

Place: Chennai
Date: April 28, 2026

Form No. MR-3 Secretarial Audit Report

Annexure A

for the Year ended as at March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Five-Star Business Finance Limited
New No.27, Old No.4, Taylor's Road,
Kilpauk, Chennai - 600010.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **FIVE-STAR BUSINESS FINANCE LIMITED** (CIN: L65991TN1984PLC010844) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of M/s. **FIVE-STAR BUSINESS FINANCE LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2026, generally, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of :
   a) Companies Act, 2013 (the Act) and the rules made thereunder;
   b) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   c) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
   d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings. The Company does not have any Overseas Direct Investment.
   e) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), and Reserve Bank of India(RBI) as amended from time to time:
      - Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client;
      - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
      - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
      - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018;
      - Securities and Exchange Board of India (Depositories ad Participants) Regulations 2018;
      - Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
      - Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable for the year under review.
      - Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
      - Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable for the year under review.
   f. Reserve Bank of India Act, 1934, RBI Directions and Guidelines as applicable to the NBFCs. The Prevention of Money Laundering Act, 2002 as amended from time to time.

2. We have also examined compliance with the applicable clauses of the following:
   a. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
   b. The Listing Agreement entered into by the Company with the BSE Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Non- Convertible Debentures;
   c. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Equity Shares;

We further report that during the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

3. We further report that:
   a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors that took place during the period under review except reappointment of Mr. Thirulokchand Vasan (DIN : 07679930), Non-Executive Director who retired by rotation at the AGM held on September 9, 2025, the resignation of Mr Rangarajan Krishnan, Joint Managing Director and CEO, effective from August 14, 2025, appointment of Ms Rajeshwari Shankar (DIN: 01573029) as Non-Executive Independent Director of the Company, with effect from February 2, 2026 and the

same were carried out in compliance with the applicable provisions of the Act;

b. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

c. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

4. We further report that based on the information received, records maintained and representation received, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

5. We further report that during the period under review, no events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above have taken place except the following:

- The Company has passed a special resolution under Section 180(1)(c) of the Act at the Annual General Meeting held on September 9, 2025 fixing the borrowing limit as Rs. 12,000 Crores.
- The Company has passed a special resolution under Section 180(1)(a) of the Act at the annual general meeting held on September 9, 2025 permitting the Company for creating charge on its assets upto Rs. 12,000 Crores.
- The Company has passed a special resolution for private placement of Non-Convertible Debentures under Sections 42 and 71 of the Act at the Annual General Meeting held on September 9, 2025 up to a sum of Rs. 4,000 Crores.
- The Company has received approval from National Stock Exchange of India Limited and BSE Limited (Stock Exchanges) on August 21, 2025 for reclassification of Matrix Partners India Investment Holdings II, LLC along with their Promoter Group and Peak XV Partners Investments V along with their Promoter Group. Consequently, the aforesaid entities cease to be the Promoter of the Company.
- The Company has fully allotted the 4,10,000 share warrants upon receipt of 25% of the proceeds on October 24, 2024. During the year ended March 31, 2026, 3,10,000 warrants were converted into equity shares of the Company pursuant to conversion option opted by certain warrant holders.

For **S Sandeep & Associates**
S Sandeep
Managing Partner
UDIN: F005853H000226942
FCS No.: 5853
CP No.: 5987
PR No.: 6526/2025

Place: Chennai
Date: April 28, 2026

This report is to be read with our letter of even date, which is annexed as Annexure I and forms an integral part of this report.

Annexure I

To,
The Members,
FIVE-STAR BUSINESS FINANCE LIMITED
New No.27, Old No.4, Taylor's Road,
Kilpauk, Chennai - 600010.

Our report of even date is to be read along with this letter.

Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of accounts of the company.
3. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **S Sandeep & Associates**
S Sandeep
Managing Partner
UDIN: F005853H000226942
FCS No.: 5853
CP No.: 5987
PR No.: 6526/2025

Place: Chennai
Date: April 28, 2026

Annual Report on CSR Activities

Annexure B

for the Financial Year 2025 - 2026

1. Brief outline on CSR Policy of the Company:

Being an integral part of this society, Five-Star is committed towards giving something back to the society. The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their livelihood and well-being. Your Company has chosen to make its contribution in 3 areas – education, health and livelihood – as these are the 3 basic necessities of every human to lead good life.

Your Company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder and as per its CSR policy.

2. Composition of CSR Committee:

Name of the Director	Designation / Nature of Directorship	No of meetings of CSR Committee held during the year	No of meetings of CSR Committee attended during the year
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	3	3
Mr Anand Raghavan	Independent Director	3	3
Ms Bhama Krishnamurthy*	Independent Director	3	3

**Ms. Bhama Krishnamurthy has completed her tenure as Independent Director w.e.f April 11, 2026.*

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://fivestargroup.in/corporate-governance/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: The Company in line with the provisions of the Companies Act, 2013 ("the Act") and sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, conducted impact assessment through an independent agency, M/s Chrysalis Services Private Limited, during the financial year ended March 31, 2026, for the applicable projects. The executive summary along with the impact assessment report is uploaded on the website at: https://fivestargroup.in/corporate-governance/

5. Average net profit of the Company as per section 135(5): INR 111,708.67 Lakhs
a) Two percent of average net profit of the Company as per section 135(5): INR 2,234.18 Lakhs
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
c) Amount required to be set off for the financial year, if any: Nil
d) Total CSR obligation for the financial year (5a + 5b - 5c): INR 2,234.18 Lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 2,209.06 Lakh
b) Amount spent in Administrative Overheads: INR 11.92 Lakhs
c) Amount spent on Impact Assessment, if applicable: INR 13.22 Lakhs
d) Total amount spent for the Financial Year [(a)+(b)+(c)]: 2,234.20 Lakhs.
e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the financial year (INR in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)*		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (INR in lakhs)	Date of transfer	Name of the Fund	Amount (INR in lakhs)	Date of transfer
1,790.22 Lakh	443.98	30/03/2026	-	-	-

**pertains to on going project*

f) Excess amount for set off if any: Nil

S.No	Particulars	Amount (₹ in lakhs)
1	Two percent of average net profit of the company as per sub-section (5) of section 135	-
2	Total amount spent for the financial year	-
3	Excess amount spent for the Financial Year [(ii)-(i)]	-
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
5	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. (a) Details of Unspent CSR amount for the preceding three financial year:

S.No	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6) (INR in lakhs)	Amount spent in the reporting financial year (INR in lakhs)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			Amount remaining to be spent in succeeding financial year (INR in lakhs)
				Name of the Fund	Amount (INR in lakhs)	Date of transfer	
1	2022 - 23	42*	42	-	-	-	-

** pertains to ongoing project*

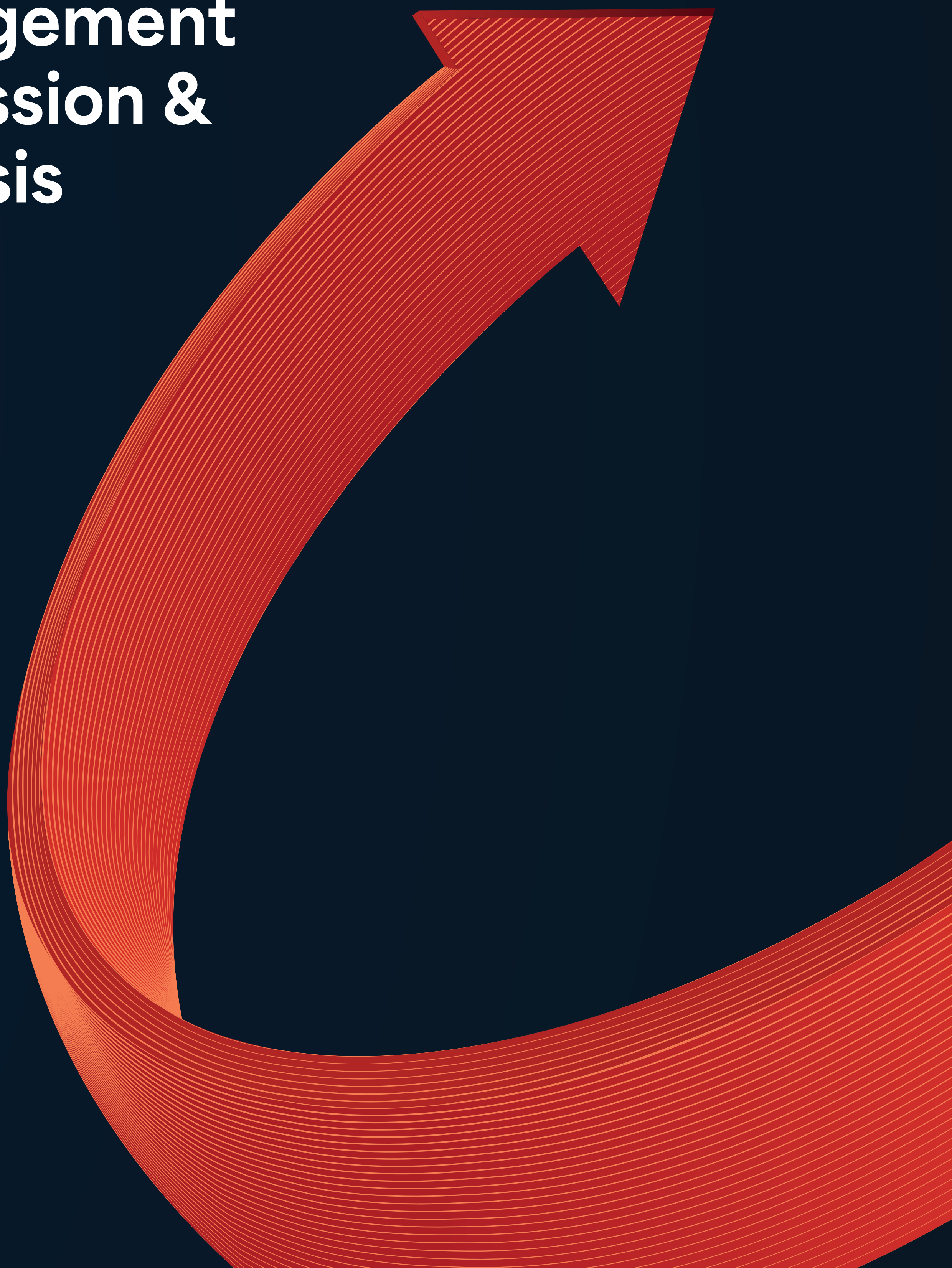
8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):
The Company has incurred CSR expenditure during the year under review in line with its CSR Policy. In view of allocation of CSR contributions towards ongoing projects commenced during FY 26, the Company has transferred the same to a separate Unspent CSR account. The Company confirms that the implementation and monitoring of its contributions are in compliance with the CSR objectives and policy.

For and on behalf of the board of Directors
Lakshmipathy Deenadayalan
Chairman & Managing Director
DIN: 01723269

Place: Chennai
Date: April 28, 2026

Management Discussion & Analysis



1. Macro Economic & Industry Overview

FY2026 was a very atypical year in many ways. The year began with the overhang on the global economy of the US tariff issue - albeit lower due to temporary reprieves and optimism around trade negotiations - creating prospects of lower growth. With inflation within its target range and with a view to maintain growth momentum, RBI reduced the Repo Rate by a cumulative 100bps in the year, which, taken with the 25bps reduction in February 2025, took the Repo Rate to 5.25% from 6.50% ~9 months prior.

However, by the last quarter of the financial year, the world economy was hit by turbulence once again due to the conflict in West Asia. The Indian economy also braced for impacts from this situation. To quote from the RBI Governors' statement post the April 2026 MPC meeting:

"The global economy is facing unprecedented challenges from heightened geo-political tensions, the conflict in West Asia and the disruption in global supply chains.

Before the outbreak of the conflict, India's macroeconomic fundamentals exuded confidence with buoyant growth and low inflation. Conditions turned adverse in March with the widening of the conflict zone and its intensification. The fundamentals of the Indian economy are on a stronger footing at the current juncture than in previous crisis episodes as well as relative to many other economies, providing it with greater resilience to withstand shocks.

Global growth faces increasing downside risks as the sharp rise in energy prices and shortages of inputs for various industries have stoked inflation fears and pushed up the geopolitical risk premium in oil markets. Heightened uncertainty precipitated by the ongoing conflict is weighing on the outlook. Safe-haven flows have exerted depreciation pressure on currencies of major economies as the US dollar has strengthened. While commodity prices, such as of metal and gold, have moderated, financial markets have become more volatile. Equities registered a broad-based correction. Sovereign bond yields, already elevated due to long-run fiscal sustainability concerns, driven by inflation fears, have hardened across major economies."

The Governor also spelt out the possible impact on the Indian economy as follows:

"....let me briefly elucidate on the channels of transmission through which the Indian economy may get impacted by the ongoing conflict. First, elevated crude oil prices could increase imported inflation and widen the current account deficit. Second, disruptions in energy markets, fertilisers and other commodities may adversely impact industry, agriculture and services, reducing domestic output. Third, heightened uncertainty, increased risk aversion and safe haven demand could impact domestic liquidity conditions, economic activity, consumption and investment. Fourth, weaker global growth prospects may dampen external demand and reduce remittance flows. Finally, adverse spillovers from global financial markets could tighten domestic financial conditions and raise the cost of borrowing. Overall, the initial supply shock can potentially transform into a demand shock over the medium term if the restoration of supply chains is delayed."

Thus, a year that began with steps from the RBI to galvanize growth ended with the prospect of inflationary impacts of the West Asia conflict emerging, prompting a more guarded and watchful approach to the emerging situation.

1.1. Outlook for Growth

The growth outlook for the economy also underwent a sea change given the headwinds in the external environment brought on by the conflict in West Asia towards the end of FY26. In its Financial Stability Report from December 2025, the RBI had mentioned that, *"The Indian economy continues to grow strongly supported by robust domestic demand, easing inflation, and prudent macroeconomic policies"*. However, with heightened uncertainty re-emerging by the end of Q4FY26, the RBI took a cautious outlook to this growth target saying, *"Further escalation and wider spread of the conflict, heightened volatility in global financial markets and weather-related events, however, weigh on the domestic growth outlook. Risks to the baseline projections are tilted to the downside, with uncertainty remaining elevated due to the ongoing West Asia conflict"*. With this factored in, the RBI estimated GDP growth at 6.9% for FY2027 in its MPC commentary in April 2026, as compared to GDP growth of 7.6% in FY26.

While flagging these risks to growth, the RBI also maintained that "the system-level financial parameters related to capital adequacy, liquidity, asset quality and profitability of Scheduled Commercial Banks (SCBs) continue to remain healthy. Similarly, the system-level parameters of NBFCs too are sound, with adequate capital position and improved GNPA ratios."

For SCBs, the system-level Capital to Risk Weighted Assets Ratio (CRAR) of 16.91% in December 2025 was well above the regulatory minimum level. Ratio of non-performing loans improved further (GNPA ratio at 1.89% in December 2025 vis-à-vis 2.42% in December 2024, NNPA Ratio at 0.44% in December 2025 vis-à-vis 0.55% in December 2024). Liquidity buffers were robust, with an LCR of 125.85% as of end December 2025. The annualised return on assets (RoA) and return on equity (RoE) stood at 1.32% and 12.95%, respectively, in December 2025. Net Interest Margin was 3.28% in December 2025 (3.49% in December 2024).

1.2 Operating Environment

NBFCs play a pivotal role in enhancing financial inclusion and broadening access to credit. They have emerged as a powerful engine of credit, significantly expanding access to financial services, especially for historically underserved or excluded segments. By complementing the traditional banking system, NBFCs have utilized innovative credit delivery models that leverage technology and local insights to create customized financial products tailored to diverse borrower needs.

NBFCs have also seen closer supervision from the RBI about a year or more back with closer monitoring of stress build-up, growth, pricing etc by the regulator over this period. In hindsight, the RBI was prescient about stress building up in unsecured loans and the curbs on growth in this regard through a mix of measures from the regulator helped contain the downside risk largely.

As a result, the overall financial parameters in the NBFC sector continued to be robust. Total CRAR of NBFCs was at 25.59% and Tier I CRAR was 23.71% in December 2025, well above the minimum regulatory requirements. GNPA has improved from 2.52% in December 2024 to 2.14% in December 2025, while NNPA also improved from 1.10% in December 2024 to 0.93% in December 2025. RoA for the sector decreased slightly from 2.89% in December 2024 to 2.71% in December 2025. NIM has slightly decreased from 4.54% in December 2024 to 4.43% in December 2025.

As is normal in the NBFC sector, various products and customer segments went through their share of pains and gains, meaning it was a mixed bag overall for the NBFC sector from a performance perspective.

NBFCs and banks grew their gold loan books sizeably during the year, backed by the rise in the price of gold. Further, due to a possible shift in the nature of lending that arose out of the pain in other shorter-tenor unsecured products like MFI loans, gold emerged as the product of choice for many lenders leading to a significant surge in demand and supply. As per a CRIF Highmark report, loans against gold jewellery by both banks and non-bank lenders surged ~50% year-on-year to ~19 lakh crore at the end of March 2026, making the segment the fastest growing among retail advances. Of this, NBFCs have emerged as the clear growth driver, with originations value rising sharply from 20.9% in Q4 FY25 to 31.6% in Q4 FY26. In volumes, NBFCs lead with ~49% share in originations volume as of Q4 FY26, underscoring NBFC-led market expansion driven by faster growth and wider distribution reach.

Home loans maintained steady momentum, with portfolio outstanding at ~44 lakh crore, growing 9.4% YoY. Growth in balances outpaced active loan growth, indicating continued premiumization and a shift toward larger ticket-size mortgages, while asset quality improved across most geographies and lender groups.

Personal loans continued to expand at a healthy pace, with portfolio outstanding reaching ~16.5 lakh crore, up 12.9% YoY. Credit cards, in contrast, remained subdued, with balances flat YoY due to regulatory controls.

Vehicle finance remained steady, with auto loans and two-wheeler loans posting double-digit YoY portfolio growth of 13.9% and 15.1%, respectively. Even so, originations momentum softened sequentially in Q4 FY26, suggesting some normalization after festive demand.

Consumer durable loans also recorded strong growth, with portfolio outstanding rising 20.8% YoY, supported by GST rationalizations although QoQ originations moderation suggests some cooling after festive-demand based expansion.

For lenders in the microfinance sector, operationalizing the new MFIN guardrails for borrowers in the sector was the biggest imperative as the year began. In addition, the cleanup of balance sheets of lenders in this space, which had already begun a few quarters back, continued over the first 2-3 quarters of the year. Many smaller entities were hit hard, with substantial capital getting wiped out and lender covenants getting breached, making availability of fresh funding a challenge. The larger, more well-capitalized entities came out slightly better and returned to focusing on fresh business towards the latter half of the year. Overall, after nearly 8 quarters of degrowth, the MFI space returned to QoQ growth in Q4FY26, with the new guardrails showing results - ~95% exposure to borrowers having <=3 lender associations in March 2026, up from ~88% a year earlier.

Regarding growth potential of NBFCs, ICRA estimates that AUM of Retail NBFCs would grow by 16%-18% in FY2027, moderating from the growth seen in FY2026. Incremental downside risks to growth and asset quality performance, however, have emerged on account of the ongoing conflict in West Asia, which has created significant inflationary pressures and supply chain disruptions. While India's GDP growth projections have already been revised downwards owing to this, a prolonged conflict could accentuate the impact on domestic economic activity. Other key risks include the El Niño forecasts for FY2027 and the possibility of a below-par monsoon, which could impact agricultural activity/ rural cash flows, and the possibility of rising systemic interest rates towards the later part of FY2027, which could tighten financing conditions.

2. Five Star - An Overview

Incorporated in 1984, Five Star is registered with the Reserve Bank of India (RBI) and is a Middle Layer NBFC classified as a non-deposit taking NBFC-ICC (Non-Banking Financial Company - Investment and Credit Company). The company caters to small business entrepreneurs and self-employed individuals by providing them secured loans, primarily for business purposes, but also for home construction / renovation / improvement or for other personal exigencies (medical emergency, marriage, education etc.).

Five Star offered a completely different set of products for the first about twenty years of its journey – vehicle loans, consumer durable loans, hire-purchase etc. In the early 2000's, the company was driven into a tight corner by the intense competition in these products from larger banks that were sharpening their focus on retail loans. This was also the time that the current Chairman & Managing Director Mr Lakshmipathy Deenadayalan entered the business. Over the next few years, as the company navigated this turbulence, he ideated on what a more sustainable and profitable niche for the company might possibly be. Driven by the idea to have a secured product where the repayment capacity of the borrower would be assessed basis the existing cash flows and collateralized by a property collateral that was emotionally strong for the "rainy day", Mr Lakshmipathy drove the initiative to pilot and introduce the "Secured Small Business Loans" product around 2004. As this initiative saw success, the older products were wound down over the next few years. At a time when vehicle and housing loans were the flavour of the market, the company charted out a totally different path and was an early mover into a product – secured loans to the unbanked small business owners of the country that had very few takers then.

Over the years, the product continued to deliver stellar results, and in fact better results over time. After about 10 years of having seen the performance of the product hold steady from a growth, profitability and asset quality perspective, Mr Lakshmipathy, by then the Managing Director, decided to take 3 important steps to propel the company forward into its next phase of growth.

First and foremost, he decided to attract external capital to Five Star, which is extremely important from the perspective of strong growth. Thus, starting in FY2014, the company raised fresh capital over the next few years to propel its growth and with every round brought on to its cap table very reputed investors - Matrix Partners, Morgan Stanley, Norwest Venture Partners, Sequoia Capital, TPG and KKR.

This journey culminated in the listing of the equity shares of the company on the NSE & BSE in November 2022.

Next, eminent professionals were invited to join the Board of the company with a view to gain from their wealth of experience and wide exposure. Over this journey, from having both nominees of investors and Independent Directors, the company today has four Independent Directors - each a reputed name in his/her field - who form a majority on the Board of Directors.

Last, and perhaps most importantly, a professional management team was built. The team was built for scale and thus, today, the company has ~20 people with relevant experience and expertise heading various functions in the organization. In fact, this is one of the differentiating facets of the organization, wherein the management team was built keeping an eye on the future, rather than meeting the requirements of the present. This also helped during the current financial year, when the organization witnessed exit of senior management personnel, and the organization was able to navigate this situation with absolutely no impact on its operations.

With all these in place, the company has, as of end March 2026, grown its presence to 844 branches staffed by 14,159 employees across 10 states and 1 union territory. The AUM of the company stands at INR 13,225 Cr, with a sizeable Net Worth of INR 7,380 Cr.

Market opportunity

Over time, various studies have tried to estimate the market size of the informal MSME debt demand in India. An International Finance Corporation (IFC; part of World Bank group) report from 2018 brought out that only ~16% of the demand of MSMEs is catered to by the formal sector and estimated the informal market demand at ~INR 58 trillion. Another more recent study done by Crisil in 2022 estimated that the total MSME credit gap was INR 104 trillion. Out of this, a subset which more closely resembled the borrower base of Five Star – business and self-employed individuals owning pucca houses and having an average credit requirement of ~INR 0.5 million – was estimated at INR 22 trillion. Yet another study done in FY2024 by Motilal Oswal estimated that the total MSME credit demand stood at ~INR 138 trillion out of which only 25% was met through formal financing.

Notwithstanding the differences in the numbers, what is brought out by all these studies is unequivocal – the unmet demand in the MSME space in India is huge, and growing! The benefits to borrowers from moving to formal finance from the informal sector are manifold and very apparent – lower pricing, transparent practices and regular amortizing structures with clear sight on timelines for extinguishing debt. Given both these facts, your company is uniquely placed as an early mover in catering to this unmet demand.

Business model

The company has a branch-led model of expansion. Its catchment is typically Tier 3 to Tier 6 cities and towns, where, unlike larger metros, people continue to remain "underbanked". Even here, the focus customer segment consists of the small business owners and self-employed individuals who are transitioning to formal finance for the first time and would not have a lot of the documentary proofs required by traditional banking. Thus, the company performs a vital role in enhancing financial inclusion by providing access to credit to hitherto unbanked customers and assimilating them to the formal financial ecosystem. This process involves enhancing the financial literacy of borrowers by making them aware of the features of the product offered to them including transparently explaining the rate of interest and other charges of the product, while also educating them on the need for credit discipline by ensuring prompt repayment and highlighting the advantages of doing so to them. This ensures that the customer can, at some point in time, with discipline, transition to a better credit score, with the company in turn, benefitting from better asset quality and lower customer complaints and disputes.

The intent of the company is to cater to diverse requirements of its target customer base during their life cycle. Thus, while the company primarily gives secured business loans for expanding existing businesses or for repayment of informal-sector loans from moneylenders, friends / family etc originally taken for setting up their businesses, loans are also given for home construction / renovation / improvement and any other situational exigencies the borrower may face like a medical emergency or for the education requirements of his/her children, etc. All loans are assessed basis the existing incomes of the borrowers and backed by a hard collateral, typically the self-occupied residential house property of the borrowers.

Customers are sourced through a mix of direct marketing and customer referrals. Typically, newer branches rely a lot more on the former, using direct marketing, especially door-to-door selling in the business areas of the city/town and promotional material like flyers, etc. Once a branch has operated in an area for a few years and has matured, a larger number of customers get sourced through referrals from existing customers. This has the advantage of being an initial reference check as well for the branch. Once a prospective customer is identified, the company has a proprietary underwriting model, honed through experience, with multiple checks and balances built in, to determine the contours of the exposure to be taken.

Traditional banking underwrites customers basis a number of documentary evidences collected by it. This would typically cover the income – salary slips, income tax returns, bank statements etc – which would be used to check for the ability to repay the loan. The distinguishing characteristic of most of our customers is a lack of these documentary proofs that makes easy assessment of incomes a challenge. Also, many of the customers would also have loans from the informal sector that would not show up in credit bureau checks. The experience of having learnt the skill of underwriting these customers in the absence of all these documents creates a niche for the company which, in many ways, acts as a moat against easy entry into this product for this customer segment.

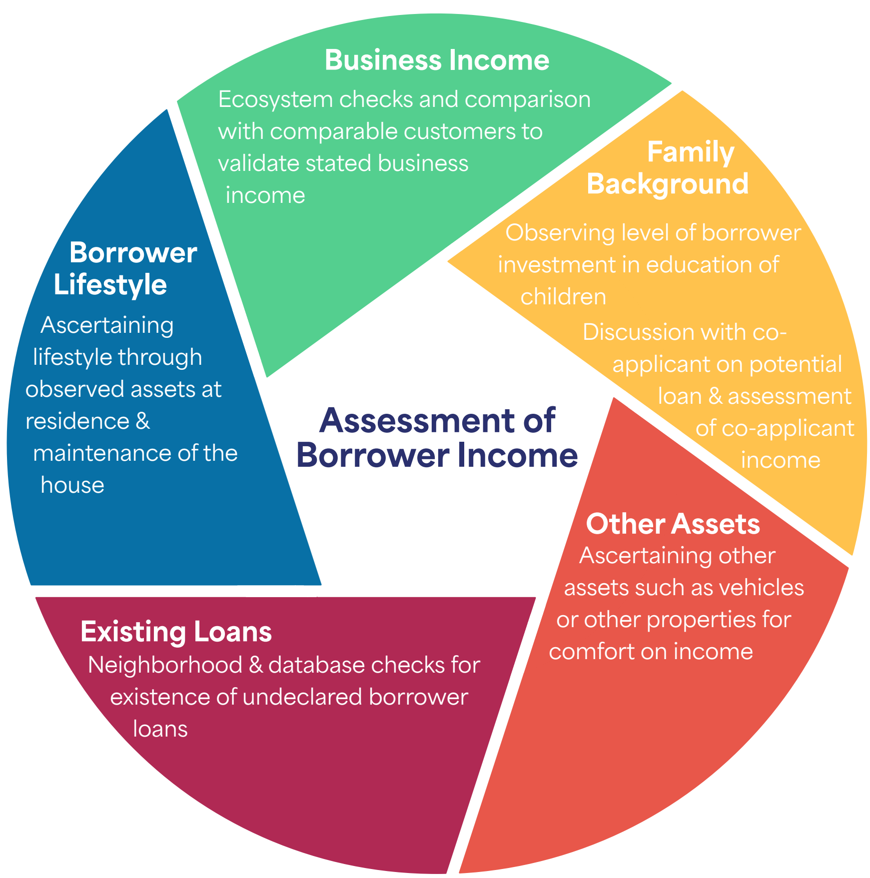
Robust underwriting basis 3Cs

The underwriting model of the company is predicated on checking every prospective customer basis 3 Cs - Character, Cash Flow & Collateral. The importance given during the underwriting & evaluation process is also in the same order viz. highest priority is given to Character with Cash Flow and Collateral coming in subsequently in the pecking order.

Character refers to the intent to repay the loan taken. Assessing this is the most challenging aspect during the underwriting process. While assessing the Character of the prospective borrower, the company relies on a series of on-ground checks - neighbourhood checks and trade checks - from multiple people living and operating in the vicinity of the house of the borrower and the place of business. A detailed reference check of the personal behaviour and habits of the prospective borrower and the family is done through these, which helps establish the ownership of the business or engagement in a trade, business experience, hygiene maintained in operating business / trade, existing informal sector indebtedness, any negative affiliations and such other factors. Multiple teams from the company corroborate these details collected through personal visits to the residence & business place of the prospective borrower and discussions with him/her. The credit bureau inputs are also taken into account at this stage.

Cash flow estimation is a challenge given the lack of documents regarding the same. Apart from not having IT returns evidencing income, most of the borrowers in this segment run cash-and-carry businesses and would, hence, also not be able to evidence business turnover through transactions in their bank account. To tide over this issue, the company relies on surrogates to verify the income level. This is through consideration of factors like stock levels, kaccha bills, footfalls at the business place, purchase bills etc as well as comparison of the activity level with similar businesses financed by the company in the vicinity. Most importantly, this is also correlated with the lifestyle of the borrower and his family as well as the savings and assets created by them to arrive at the final disposable income of the household.

Given the lack of documents to assess income, there is some subjectivity to the process of evaluating the incomes of borrowers. The company, hence, does not rely on the judgement of only a single individual during this process. Every file is looked at by at least 3-4 people as a part of the underwriting process, with two separate teams from Business and Credit independently undertaking field-level diligences. The Credit team alone has the approval power and takes the final decision on sanction or rejection of any file.



The collateral is the back-stop during times of stress for the lender. While repayment in good times is ensured through conservative evaluation of income and maintaining a DBR of about 40%-50% from the assessed net income, the collateral check involves checking the legal title to the property being mortgaged and the valuation of the property so that the interests of the lender are protected even during difficult times. The company maintains a conservative LTV of about 50% on origination of the loan, which ensures there is always sufficient buffer available in case the collateral property needs to be liquidated to recover the dues from the borrower. The technical evaluation is done by the Company staff who are well trained to consider various factors like guidelines rates, recent property transactions consummated in the area and to check for property specific nuances like approach roads to the property and development in the vicinity of the property, life of the building and its condition etc. The Company also applies a haircut to this value to determine the distressed sale value, which is taken as the final collateral value for decisioning purposes.

While there is a high level of touch and feel in the entire process given the nature of the borrower segment, the Company has also complemented this process through strong technology support. The company has invested in appropriate technology solutions with a best-in-class and scalable Loan Origination System (LOS) and robust Loan Management System (LMS) to provide end-to-end seamless support to both staff and customers during the customer onboarding process. The technology stack also integrates with various third-party databases in real-time during the process to enable the latest data is available during the screening process to enable quicker & more appropriate decisioning. Credit scoring algorithms based on both external and internal data, insights culled from strong data analytics, Application Programming Interfaces to ensure accuracy of data capture are some of the technological interfaces created by the Company towards robust underwriting. The Company has also taken big strides towards embedding AI and agentic AI into many of its processes to increase efficiency.

Over the last many years, the company has stayed conservative on some of the most critical metrics during the underwriting process like LTV, DBR, ticket size, bureau checks, legal opinions, registration of mortgage on property etc. Consequent to events like COVID and overleverage, the Company has only tightened some of these metrics to ensure build-up of a strong quality portfolio.

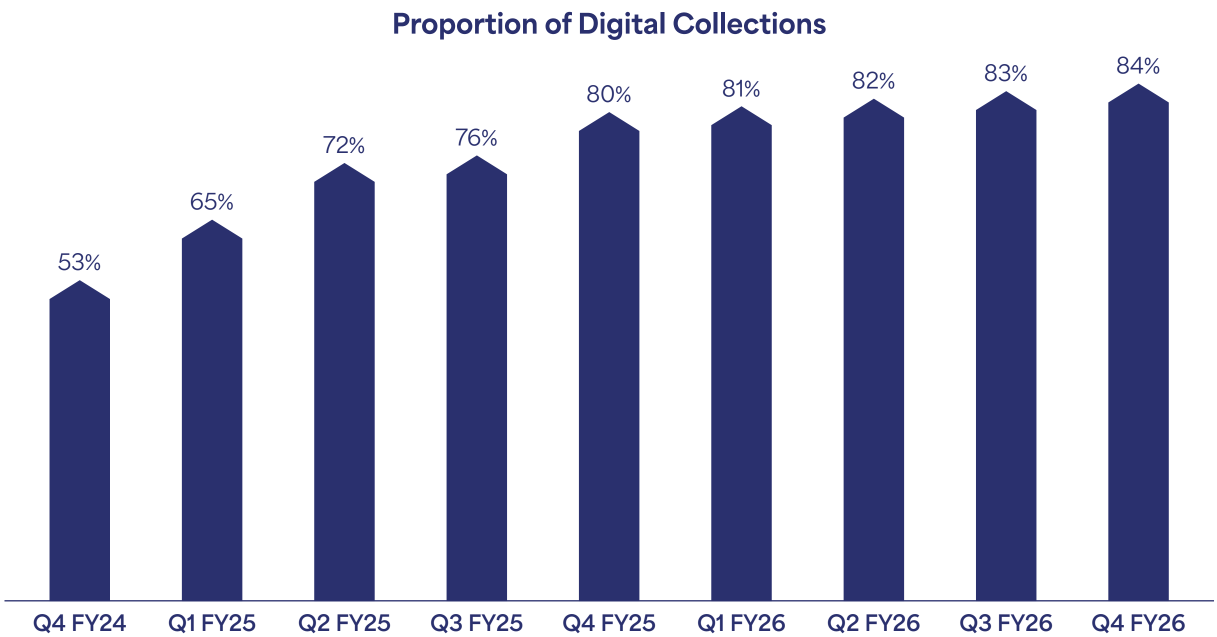
Collections - the backbone

While it is of utmost importance that the underwriting remain strong, what is perhaps of even greater importance in a lending business is the rigour of collections. To put it very simply, effective & efficient collections performance is what separates the strong lender from others. Especially in the segment in which your company operates, where the customers are from earn-and-pay kind of businesses, and not necessarily habituated to making regular periodic repayments, the importance of having a robust system of reminders and follow ups to ensure prompt repayment of the EMIs due is of critical importance.

Your Company has created 3 verticals to ensure strong collections across various DPD buckets, wherein current accounts largely remain with the Business team, high vintage current accounts and delinquent accounts move to the Collections team and deep delinquent or NPA accounts are managed by the Legal Recovery team. This ensures sourcing discipline from the Business team since they are not completely absolved of the collections responsibility, and right expertise at the appropriate time to manage delinquent / NPA accounts, which should ensure strong collections and minimal slippages across buckets. This will also ensure your Company maintains business and growth momentum even during challenging times, as the business team is insulated from difficult collections.

Further, with a view to stem flow forward of "Current" customers the company has also started more active reminders and alerts to its customers. It has also started automated bot calling to follow up for payments from customers as well as to remind customers of upcoming EMIs.

Another important initiative undertaken by your company has been to to bring down the portion of cash collections . Towards this, the company has ensured that all possible digital/non-cash modes of payment - eNACH, BBPS, UPI autopay, QR scan-and-pay, bank transfers etc - are enabled to its customers. These efforts have borne substantial results, with the percentage of digital collections going up from 53% in March 2024 to 84% in March 2026.

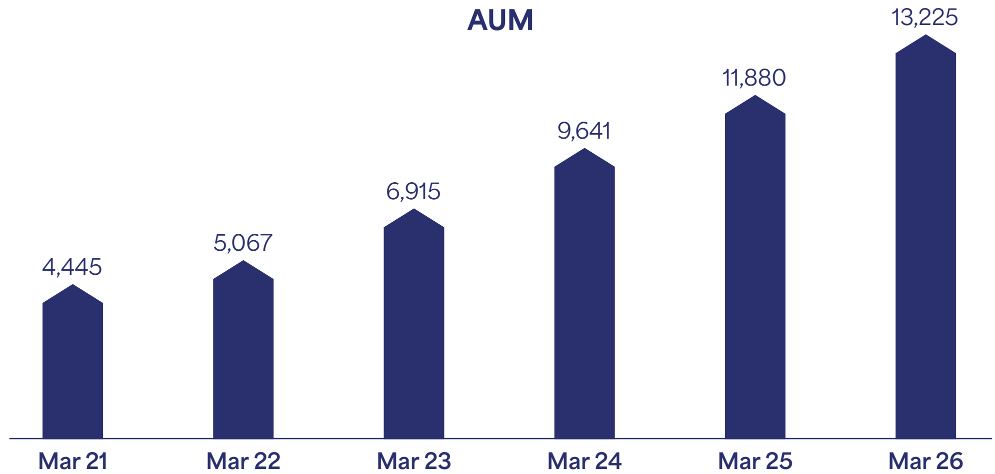


FY 2026 Performance

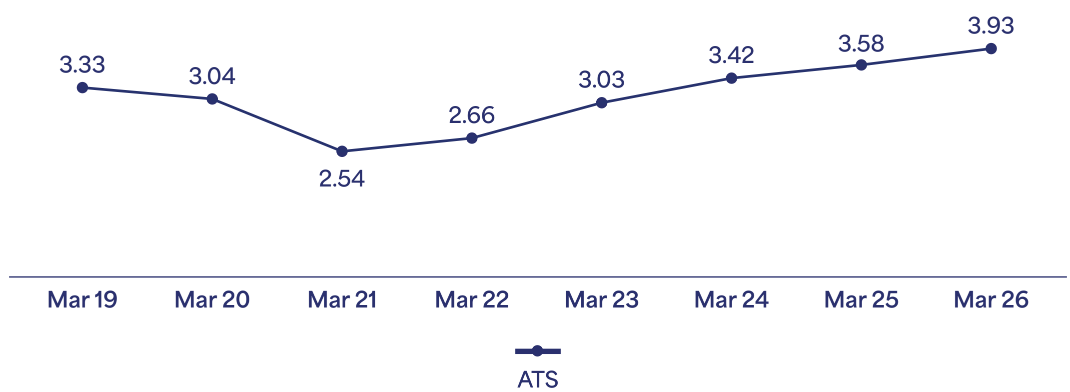
The last financial year was beset with challenges for the company. The noises around the overleverage crisis and its trickle down effects into secured products made the operating environment difficult on the ground. Many borrowers, whose loans were written off by the unsecured lenders, developed an opportunistic mindset and started to look forward to some concessions even from secured lenders like Five-Star, affecting asset quality and leading to a spike in credit costs.

Given this backdrop, the focus was on "collections" during most of the year, with many major initiatives getting operationalized on this front. As a result, portfolio growth took a backseat. The setting up of 3 verticals outlined above has been planned to ensure preparedness for scale in the future so that even in case another stressed scenario similar to the one seen in the last year recurs, the company would be well placed to handle this effectively.

During the financial year, the company disbursed ~1.19 lakh fresh loans amounting to INR 4,675.73 Crores, to close with an AUM of INR 13,224.65 Crores. This translates to AUM growth of ~11%, which, given the headwinds faced during the year, is a testimony to the strength of the organization and its capability to navigate adversity.

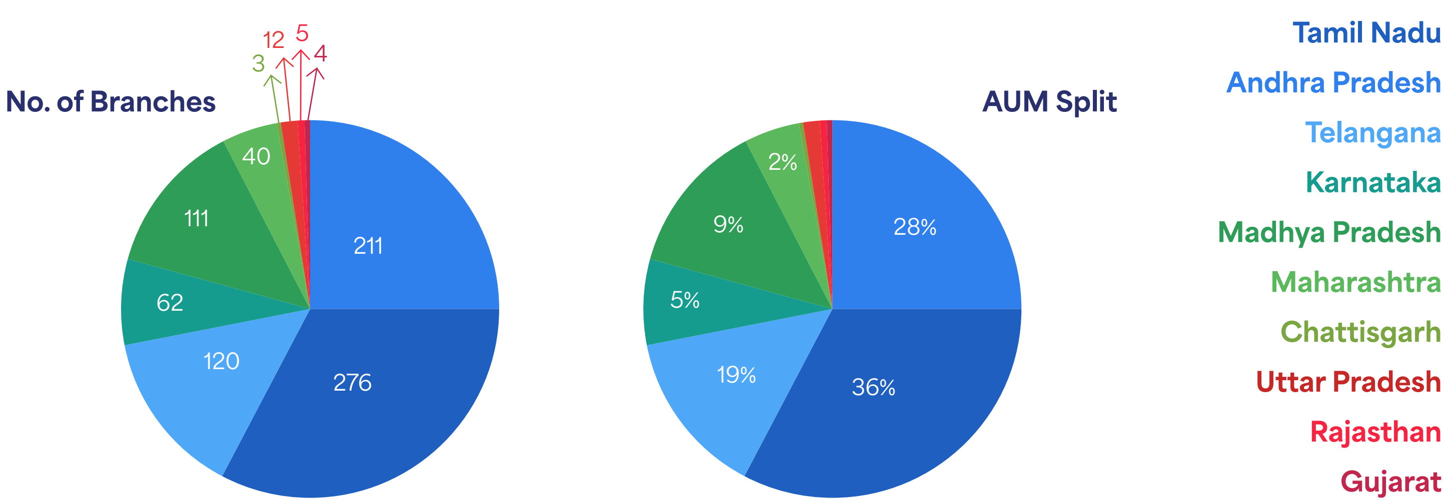


The company had consciously dropped its average ticket sizes post Covid to around INR 2.5 lakhs from INR 3-3.5 lakhs pre-Covid, and having reached the pre-Covid level again by FY25, continued to work to build for some inflationary impact in this metric during the financial year. The reduced focus on smaller ticket loans, which went through slightly higher level of stress, also helped increase the ticket size on loans disbursed during the year. Going forward, the intent will be to push up the ticket size closer to INR 5 lakhs. During the year, the average ticket size of loans disbursed increased to INR 3.93 Lakhs, going up from INR 3.58 Lakhs in FY2025.

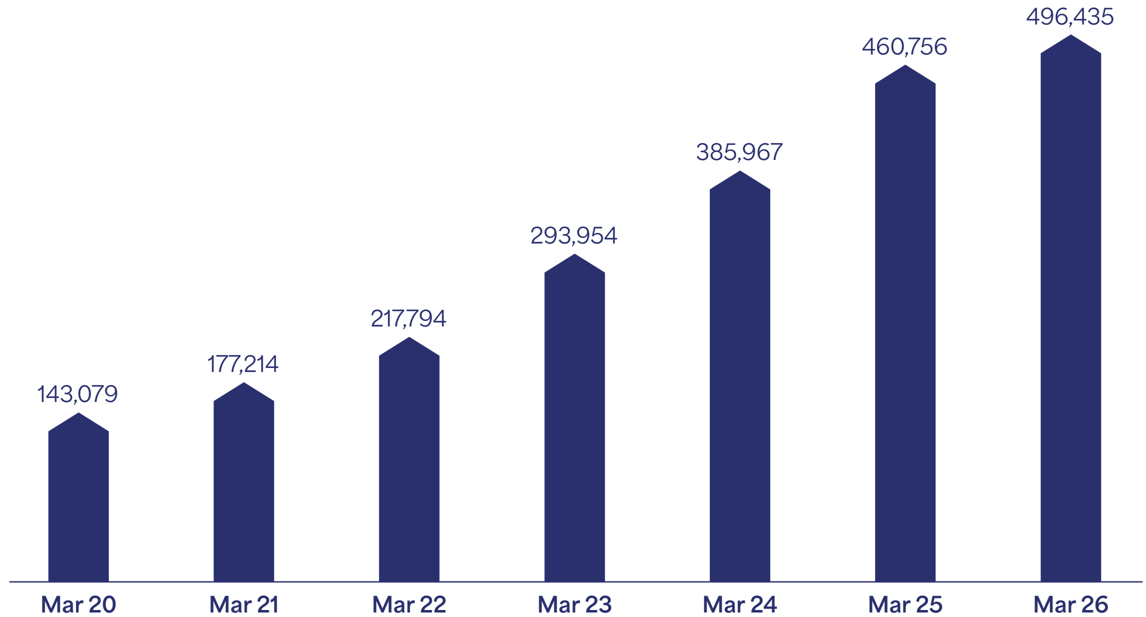


The company continued to invest in building infrastructure by way of branches through the year. 96 new branches were opened during the financial year, taking the total branch count to 844, spread across 10 states and 1 union territory. The company continued the "Split" branch strategy during the year for the remaining branches where this had been planned, adding 70 split branches in FY2026. In addition, it also put up 26 entirely new branches as well. Most of the new/split branches came up in the core states of the company i.e. Andhra Pradesh, Telangana, Tamil Nadu and Madhya Pradesh. However, some of the emerging states also saw addition of new branches - Maharashtra added 17 new branches with a view on medium term growth while Uttar Pradesh & Gujarat added 6 & 3 branches respectively.

Branch coverage by number of branches as well as a percentage of overall AUM is given below:



Aided by its larger reach, the company continues to broaden its borrower base. As at March 2026, the borrower base of the company stood at almost 5 lakh customers, an almost 3-fold increase over the last 5 years.

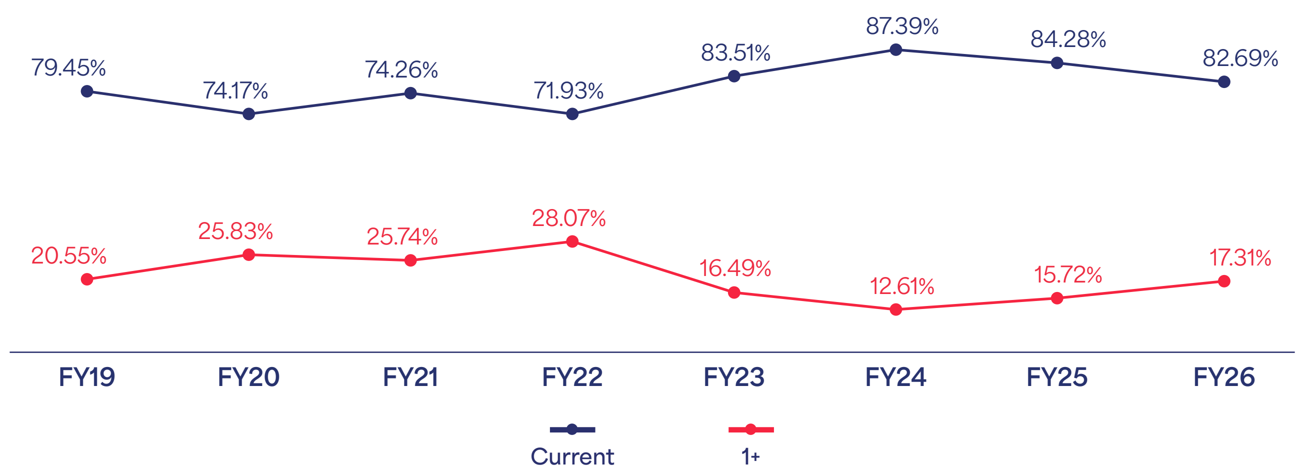


Number of Loans

Asset quality

Five Star has always taken immense pride on its asset quality. FY2026 proved to be an extremely challenging year from an asset quality perspective for reasons mentioned above. This led to increased NPA for your Company. It is also important and pertinent to note that your Company neither resorted to aggressive write offs nor undertook any sale of distressed assets. Write-offs were kept to a minim and recovery efforts continued even on these loans. The company remained firm in its conviction that through a mix of focussed and consistent recovery efforts backed by legal measures and the strength of the collateral, it was only a matter of time before recovery efforts on these loans would also bear fruit. Despite not resorting to any of these measures, your Company was able to keep its NPAs at 3.37% for the financial year.

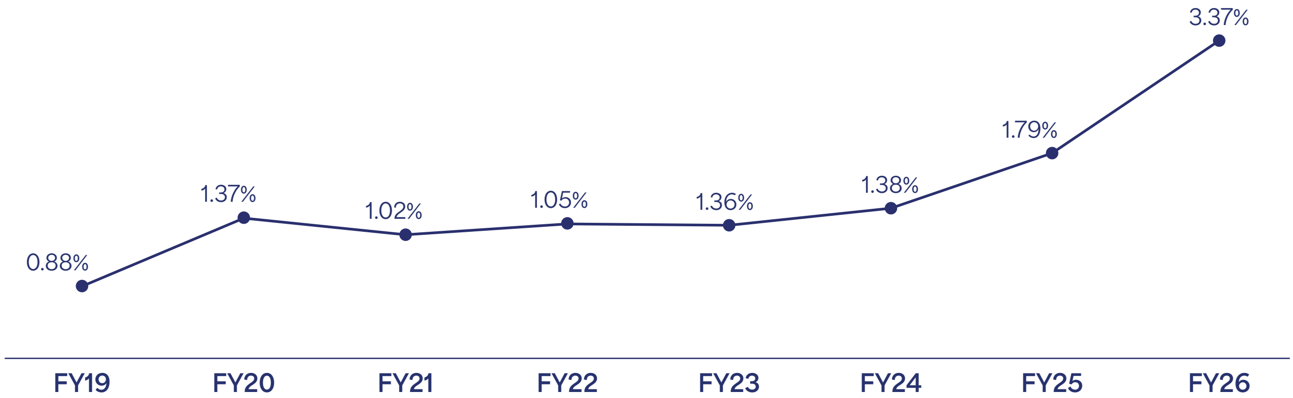
We did witness some drop in the buckets as shown below.



Stage-wise details of the overall loan book of the company as on March 31, 2026, is given below with a comparison with the previous year:

Stage	Remarks	As of March 31, 2026 Amount in INR Crores	% of AUM	As of March 31, 2025 Amount in INR Crores	% of AUM
Stage 1	Loans up to 30 DPD	11,546.82	87.31%	10,730.56	90.35%
Stage 2	Loans between 31 and 90 DPD	1,231.73	9.31%	934.17	7.87%
Stage 3	Loans classified as NPA as per IRAC norms	446.10	3.37%	212.32	1.79%
Total		**13,224.65**	**100.00%**	**11,877.04**	**100.00%**

As seen in the table above, the 90+/NPA/Stage 3 metric also saw an increase in FY2026. NPA position stood at 3.37% in FY2026 as compared to 1.79% in FY2025.



To contain flows and minimise slippages, your Company has undertaken concrete measures (as outlined below) which should start showing results in the future.

1. Split of verticals - business, collections and legal recovery verticals
2. Strengthen underwriting through increased supervisory oversight, further tightening income evaluation, avoiding certain demographic profiles, etc.
3. Reduced focus on smaller ticket loans which exhibit increased levels of stress on account of higher overlap with MFI and other unsecured loans.

All these measures have been undertaken with a view to build higher levels of structural resilience within the organisation to face potential challenges, as we aim towards building a much bigger organisation in the years to come.

3. Operational & Financial Metrics

3.1 Branches: The number of branches as at the end of March 2026 was at 844 as against 748 as at March 2025.

3.2 Portfolio growth: Five Star's Consolidated AUM increased from INR 11,877.04 Cr in FY2025 to INR 13,224.65 Cr in FY2026[1], which translates to a growth of about 11% for the year.

3.3 Loan disbursals: During the year, the company disbursed an amount of about INR 4,676 Crores as against INR 4,970 Crores in the previous year, decreasing by ~6% for the year under review.

3.4 Asset quality: For the financial year ended 31st March 2026, the company achieved a Gross Stage 3 assets / NPA of 3.37%, as against 1.79% in the previous year. While there was an uptick in the GNPA, it needs to be looked at against the backdrop of significant stress faced by lending institutions over the last 12-18 months.

3.5 Capitalisation: As of March 31, 2026, the Company had a net worth of INR 7,380 Crores. For this financial year, your Company's Board of Directors has also recommended for a dividend of INR 2 per share (200% of face value) translating to a dividend payout of ~5.4%, which will be paid out post the approval of the shareholders.

3.6 Profitability: The Company continues to remain very profitable and the full year Profit After Tax for the period ended March 31, 2026 was INR 1,099 Crores as against INR 1,073 Crores for the financial year ended March 31, 2025.

Some of the operational and financial highlights are given below.

Particulars	Unit	FY 2026	FY 2025	Growth
Coverage - No. of States/UTs	No. s	11	11	-
No. of Branches	No. s	844	748	96
No. of Active Loan Accounts	No. s	496,435	460,756	35,679
No. of Employees	No. s	14,159	11,934	2,225
Disbursements	Rs. Crores	4,675.73	4969.60	-6%
Total Revenue	Rs. Crores	3,245.97	2,866.02	13%
Total Expenses	Rs. Crores	1,783.15	1,435.43	24%
PBT	Rs. Crores	1,462.82	1,430.59	2%
PAT	Rs. Crores	1,098.75	1,072.49	2%
Gross Loan Portfolio (AUM)[1]	Rs. Crores	13,224.65	11,877.04	11%
Total Debt	Rs. Crores	8,200.43	7,921.99	4%
Net Worth	Rs. Crores	7,380.15	6,304.61	17%
Cash, Bank Balances & Liquid Investments[2]	Rs. Crores	2,443.26	2,434.43	-
Debt/Equity Ratio[3]	Times	1.11	1.26	-
Gross NPA	%	3.37%	1.79%	-
Net NPA	%	2.00%	0.88%	-
CRAR	%	51.89%	50.10%	-

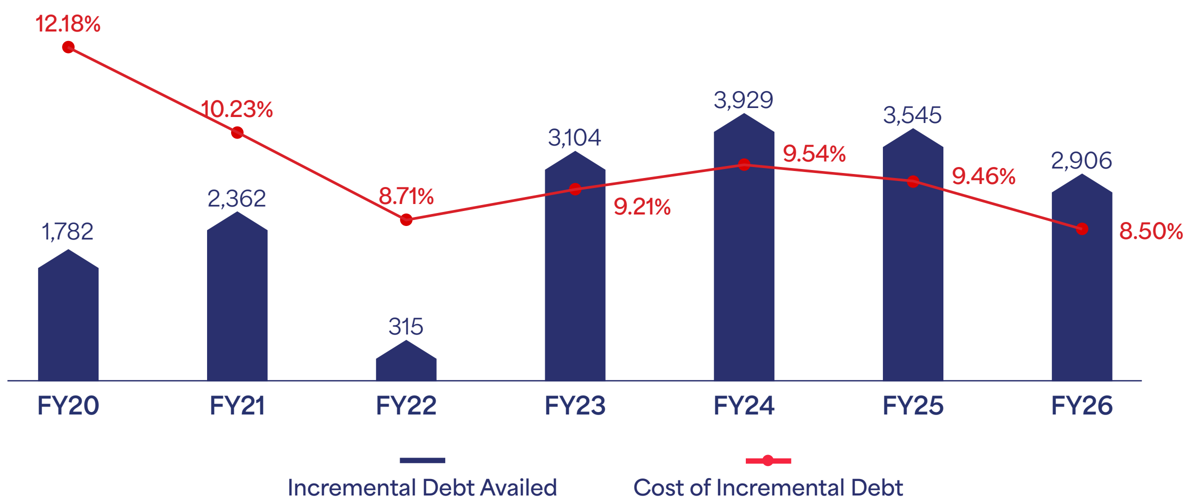
[1] *AUM is without netting off the ECL*

Note:

1. Gross Loan Portfolio (AUM) is without netting off ECL.
2. Cash / Bank & Liquid investments include lien-marked fixed deposits provided as cash collateral for various structured / securitization transactions etc. Net of this, unencumbered cash, bank balances & liquid investments as at March 31, 2026 and March 31, 2025 would be Rs.2,295.31 Crores and Rs.2,294.87 Crores respectively. These amounts do not include unavailed/unutilized Cash Credit/Overdraft facilities.
3. Debt/Equity Ratio is calculated as Net Worth / Borrowings, mentioned as per above table. Net Worth is equal to Equity share capital + Other equity. Total debt is Debt Securities + Borrowings (Other than debt securities).

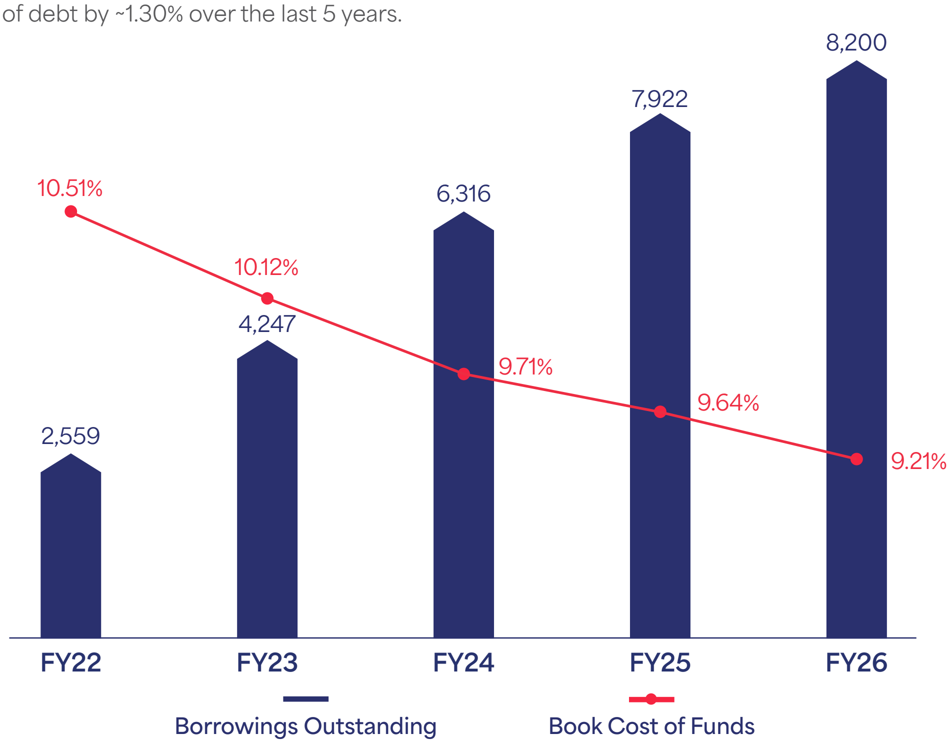
4. Strengthening Liability Profile

Money is the raw material in our business. It is imperative for every financial services entity to have a strong liability profile, with lenders who will be able to support the growth of the company, at competitive cost. About 18 months back, starting November 2024, the company had dropped its lending rates by about 2% on incremental disbursements. Given this compression in yields and rise in credit costs, it was incumbent upon the company to tap existing and newer lenders so that incremental funding for growth could be sourced at attractive levels. During FY2026, the company raised incremental debt of INR 2906.33 Crores at an all-inclusive cost of 8.50%, as against INR 3545 Crores at 9.46% in FY2025.

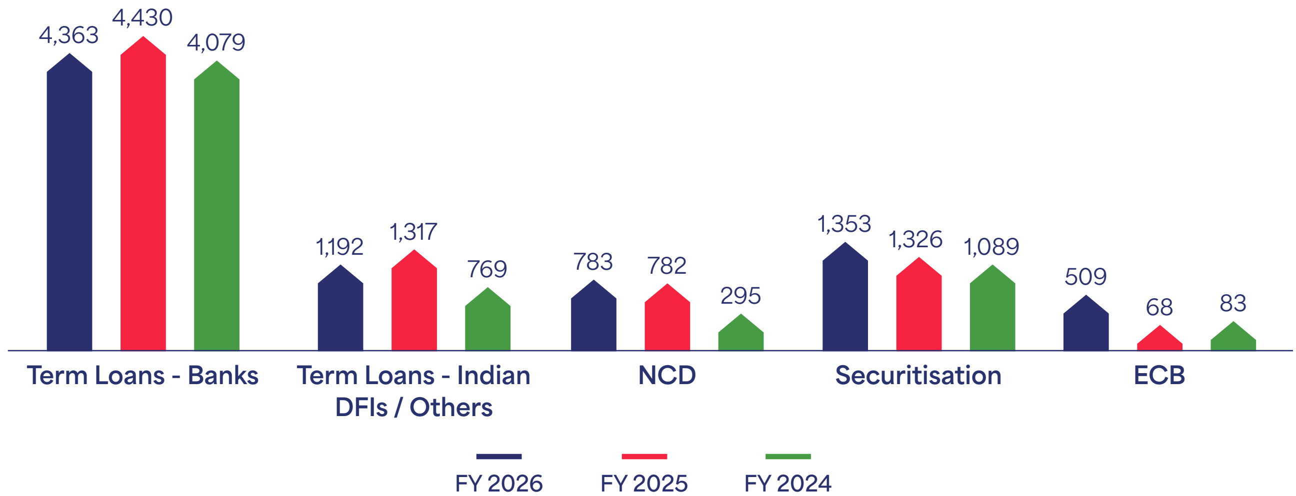


This reduction of about 1% in the incremental cost of borrowing, coupled with resets and repricing of existing debt and prepayment of some high-cost debt towards the end of the year, saw the cost of funds on the borrowings book reduce from 9.64% in FY2025 to 9.21% in FY2026, a drop of 43 bps. The company also closed FY2026 with outstanding debt on books of ~INR 8,200.43 Crores as against ~INR 7921.99 Crores in FY2025. At this level of debt, the company continues to have a low Debt/Equity ratio of 1.11 as of FY2026 as compared to 1.26 and 1.22 in FY2025 & FY2024 respectively, giving it ample headroom to onboard fresh debt to fuel the future growth aspirations of the company.

Thus, the company has been able to demonstrate the ability to raise the required quantum of debt for its growth at competitive cost, bringing down its cost of debt by ~1.30% over the last 5 years.



In addition to raising adequate quantum of debt to fund the growth requirement, it is the continuous endeavour of the company to broaden its debt book in terms of tapping a mix of various instruments like term loans, cash credit, non-convertible debentures (NCDs), securitization, ECBs etc, while not overly relying on any particular structure or instrument. The policy caps on each of these instruments are also clearly laid out in the resource planning policy of the company and tracked periodically in the meetings of the Asset Liability Management Committee (ALCO) of the company. The instrument-wise outstanding debt as of March-2026 with a comparative of the previous years is presented below:

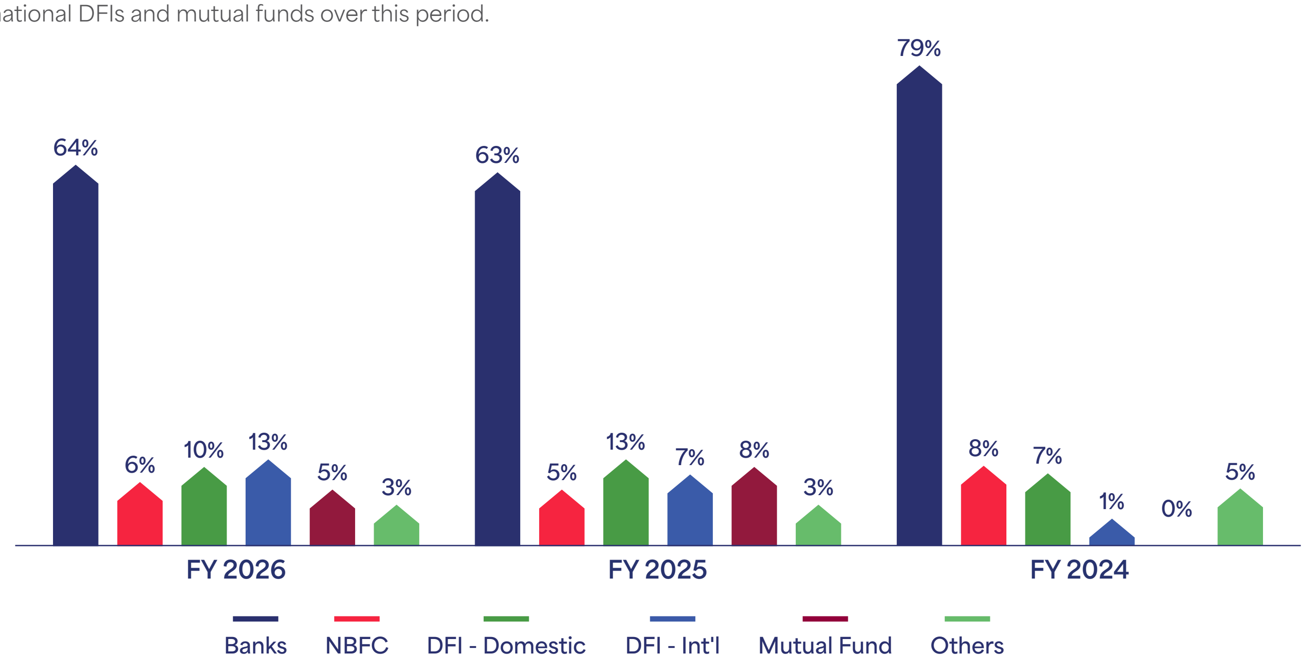


Apart from diversity of funding instruments, the company also ensures that it diversifies its lenders across various categories like banks, other NBFCs and financial institutions, mutual funds and development finance institutions – both national & international / multilateral - which helps diversify liability risk.

Many times, such broad-basing and diversification could also be driven regulatorily. The RBI, during one of the post monetary policy statements around a year and a half back had commented on the importance of NBFCs reducing reliance on banks as a funding source. Post that, the company has been tracking this metric and working consciously to keep this within an internal tolerance band.

To diversify its lender base, the company continues to be in constant engagement with lenders across categories, both existing and new, to see how existing partnerships can be scaled up and newer ones stitched together. In FY2026, the company added 3 new lenders to its debt table – JP Morgan Chase Bank, Asian Development Bank (ADB) and Kookmin Bank. Of these, two additions were through marquee transactions of size. The company consummated a securitization (pass through certificate – PTC) transaction with JP Morgan in Q2FY26 for about USD 75 Million. In FY2026, the company also received a USD 100 Million line of credit from Asian Development Bank (ADB), amongst the most reputed DFIs globally. Addition of such pedigreed institutions as lending partners shows their confidence in the business model, governance and standing of the company.

Given below is the split of outstanding debt across lender categories over the last few years. As can be seen, the company has reduced the reliance on bank funding from ~79% in March 2024 to ~64% in March 2026, while increasing the debt sourced from Domestic & International DFIs and mutual funds over this period.



The company would continue to focus on this area going forward as well and keep the borrowings base diversified, while maintaining cost focus.

5. Asset-Liability Management

Balance ensures continuity. In the financial services sector, having balance means match-funding the maturity profile of assets and liabilities so that there are no major mismatches between the inflows from assets and outflows on liabilities. It is important to plan growth and have sufficient liquidity to manage any short-term mismatches basis this.

At the same time, it also becomes imperative to ensure appropriate balance between the right quantum of liquidity and the cost of negative carry (on account of higher balance sheet liquidity). There is also a natural tendency for many institutions to play the cost arbitrage game i.e. borrow short to lend long since short-term borrowings come in at much cheaper rates, This, however also comes in with significant risk on the ALM front.

Five Star has always had a very conservative ALM and liquidity policy. The liquidity policy of the company mandates that system liquidity to cover a minimum of the next three months' lender repayments & operating expenses and one month of future disbursements be available at all times. Further, even on the ALM front, the permissible mismatches adopted as per the policies of the company are more conservative than that mandated by the RBI. In fact, due to the conservative liquidity policy, the company has almost never had any cumulative mismatches upto the "Above 5 Years" bucket over the last many years.

A few years ago, to push discipline in respect of maintenance of liquid assets at all times and help in ALM management, the RBI also introduced Liquidity Coverage Ratio (LCR) requirements for NBFCs. Post the phased implementation over the last few years', NBFCs like Five Star are mandated by regulation to maintain a minimum LCR of 100% today. Five Star maintains a stock of government securities and treasury bills that are most liquid and classify as High-Quality Liquid Assets (HQLA) and help in the maintenance of the mandated LCR. As of March 2026, the LCR maintained by Five Star was 258%, well above the regulatory requirement.

6. Corporate Governance

The governance structure at Five Star is driven top down. At the apex of this structure is the Board of the company, where there is balanced representation of the Promoters, Independent / Non-executive and Executive Directors. The Board today comprises of a majority of Independent / Non-Executive Directors. These are professionals of repute who bring with them wide-ranging experience in their domains as well as relevant experience in the financial services industry from being Independent Directors on the Boards of other companies. All the major sub-committees of the Board - the Audit Committee, Risk Management Committee (RMC) and the Nomination and Remuneration Committee (NRC) - comprise only of Independent Directors. In addition, the company has two Executive Directors - the Managing Director and the Joint Managing Director and CFO.

In addition to Board Committees, there are also Management Committees such as ALCO, Credit Committee, IT Steering Committee, Information Security Committee, etc which meet at regular intervals and the deliberations of such meetings are presented to the Board / Board Committees. This ensures appropriate mix of strategic and execution oversight.

The Board is responsible for the strategic direction of the company and for ensuring that all the activities of the company are conducted within the scope of the regulatory ambit and the various laws applicable to the company. It breaks down this vision into shorter annual plans with the help of the Senior Management and oversees execution through periodic performance reviews. In some critical areas, the Board has sub-committees that get into further granular detail.

As the next layer, the company has appointed reputed professional organizations to perform various assurance and audit related functions. Thus, Deloitte Haskins and Sells is the statutory auditor of the company. Sundaram & Srinivasan, a reputed CA firm headquartered in Chennai, acts as the External Internal Auditor (EIA). They are, in turn, supported by the Internal Internal Audit (IIA) team of the company, the Risk Management Department headed by the Chief Risk Officer (CRO), Compliance Department headed by the Chief Compliance Officer (CCO) and all the other functions.

7. Human Resources

People are the bedrock upon which the business and performance of Five Star has been built over the years. The business model itself is driven by feet-on-street to source, underwrite and collect from customers. Thus, attracting the right talent to do these activities becomes critical for the organization on an ongoing basis. Further, not just the resources in the field, but personnel manning support functions like Operations, IT, Legal, Finance etc become critical to the performance of various activities. It is in this respect that the role of the HR Department in the organization becomes one of utmost importance.

At Five Star, the human resources function plays a critical role in the life cycle of every employee, right from the entry of the employee, providing the necessary indoctrination into the company's policies and procedures, ensuring the right handholding and training to perform and grow in the respective role is provided, payroll management, managing remuneration expectations, retention and career progression and, if required, also ensuring that a smooth, seamless and harmonious exit is facilitated.

The employee base of the company has been growing over the years, to keep pace with the business growth while also building some capacity for the future. As of March 2026, the company had 14,159 employees as against 11,934 employees in March 2025.

Managing this large workforce, especially in the face of growing competition in the financial services space and particularly in the LAP/ micro LAP segment, comes with many challenges. Our employees are targets & ripe pickings for newer competitors in this product. Due to this attrition is elevated at the field officer level, though we find that attrition at the level of branch managers and above - staff who have assimilated well into the business model and style of operations of the company for some length of time and tend to be better performers over the medium to long-term- is relatively lower. At the level of supervisors and senior management, attrition is quite negligible.

During the year, we saw the resignation of a Senior Management Personnel. While the general belief would have been that this would have an impact on the operations of the Company, the depth of the management team built over time ensured that there was negligible impact from this event. The Managing Director, who was always very hands-on and involved in the day-to-day operations, with the support of the Management team, have ensured a seamless way forward, reinforcing the more philosophical point that the organization is greater than the individual and Five Star was never built to be over-reliant on any one individual

8. Technology

The business model of Five Star is driven by its branches, through its field officers. Given the nature of our customer segment, there is a lot of touch and feel across functions like sourcing, underwriting, collections, etc., and hence, the human element plays a crucial role in managing the business. Having said that, the rapid advancements in technology has made it an integral part of the business cutting across all functions and processes to drive higher levels of effectiveness, efficiency and experience for both customers and employees.

The Company uses some of the best-in-class applications for loan origination, loan management, collections, HRMS, Treasury and Compliance. The development, maintenance, hardware, security, data storage and privacy across all these applications are managed through a mix of in-house employees and vendor partners who provide extended support.

The IT team is structured along two pillars. On the one side, we have the Chief Information Security Officer (CISO) who manages the IT infrastructure, including security of systems and applications, vulnerability testing and remediation and data security and privacy, and reports to the Chief Risk Officer. This pillar ensures strong controls and high levels of security and privacy of data. On the other side, we have the Head of Technology Delivery, who reports to the Chief Technology Officer, who is responsible for the development and maintenance of all applications, especially customer-centric interfaces that drive the business of the company. This pillar is kept very nimble with a view to keeping track of the developments happening in the tech domain and to be able to move quickly to adapt to the changing needs of the business.

In addition, we also have multiple committees overseeing various technology activities –IT Strategy Committee, IT Steering Committee and Information Security Committee – that oversee areas all aspects of technology and track progress on various initiatives. The minutes of the meetings of these committees are tabled to the Board of Directors for their noting, feedback and and approval.

FY2026 was also a landmark year from a technology perspective as this year saw the diffusion of AI –specifically GenAI and Agentic AI–the magnitude of which was unlike previously envisaged. Both GenAI and Agentic AI are structural disruptors, forcing organisations to rethink the way technology influences business processes and customer experiences.

Your Company also undertook multiple technology initiatives during the year. Some of the major initiatives undertaken–including on the AI front–during the year were as follows:

1. Launch of intelligent document processing using Gen AI based large language models to compare documents and increase operational efficiency.
2. AI voice-bot based collection calling through a partner ecosystem to enhance coverage and collection efficiency.
3. Launch of intelligent image processing for collateral verification to improve the locational accuracy of the property being funded as part of the credit process.
4. Implementation of account aggregator integration
5. Strengthening the machine learning based credit scoring model to aid the credit evaluation process.
6. Pilot of speech-to-text/data at the Field Credit level to facilitate better quality of data and also improve TAT.
7. Migration to a more scalable LMS, which was eventually completed during the month of May 2026.

These investments helped strengthen the technology backbone–across people, processes, platforms, partnerships–to manage the scale of solutions being envisaged and deployed.

As we move ahead, the following will be some of the key focus areas from a technology perspective:

a) Capturing data in a more automated manner for better decisioning and analysis.
b) Building a decisioning system based on the historical data available with the company & further strengthening predictive analytics, which would act as an extra input & validation layer to the human credit approver.
c) Building on the speech-to-text/data pilot to automate credit activities and ensure minimal loss of data/facts during the underwriting process and faster TAT and decisioning.

d) Supplementing collections efforts by leveraging AI enabled automated/bot calling and reminders.
e) Further leveraging Gen AI use cases in support functions like Finance, Treasury etc.

It is the belief of the company that with additional prudent investments over time, technology will continue to drive higher levels of effectiveness, efficiency and innovation–thereby driving profitable growth, enhancing customer and employee experience, ensuring high levels of compliance and security, and enhancing governance and risk management.

The company engaged a Big 4 audit firm to conduct a comprehensive DPDPA Gap Assessment evaluating our organizational readiness and baseline data processing workflows, which was completed in December 2025. Following this, a prioritized Compliance Plan was formulated outlining the roadmap to achieve full compliance as a Data Fiduciary. Initial compliance plan activities including drafting foundational policies, updating Data Processing Addendums (DPAs) for third-party vendors, executing cross-functional data inventory exercises, and mapping data collection touchpoints for the Record of Processing Activities (ROPA) have all been completed.

Technical architecture standardization for the DPDPA platform is complete, and solutioning is in progress. The formal appointment of the Data Protection Officer (DPO) will follow in the next phase. All remaining milestones are planned for completion before the mandated May 2027 timeline.

9. Risk Management & Audit Framework

As in any business, Five Star faces various kinds of risks. The company has a robust risk management system in place to handle these risks. Even before the RBI mandated timeline, the company had appointed a Chief Risk Officer (CRO) to oversee the risk function. Under the supervision of the CRO, the Risk Management Department in the organization works with various functional departments to measure & mitigate risks.

The company follows the "3 lines of defence model" wherein:

a) The first line of defence will be the Business and Support Units that will own the risks and manage the same, as per laid down risk management guidelines. The primary responsibility for managing risks on a day-to-day basis will continue to lie with the respective business units of the Company.
b) The second line of defence will be the Risk Management Department that would support the first line of defence by drawing up suitable risk management guidelines from time to time to be able to manage and mitigate the risks of the Company.
c) The third line of defence will be the Audit Functions - primarily the Internal Audit functions that are supported by External Audits. The third line of defence focuses on providing the assurance that the risk management principles/policies and processes are well entrenched in the organisation and are achieving the objective of managing the risks of the organization.

The company seeks to monitor and address the risks through appropriate oversight by Board / Management Committees:

The CRO reports to the Risk Management Committee (RMC) of the Board and has no reporting relationships with the business functions of the company. The RMC consists of Independent Directors with eminent domain expertise, and meets periodically and reviews the Key Risk Indicators (KRIs) laid out for each of the areas of risk. Maker-checker mechanism is built into every activity in Five Star which acts as a strong risk mitigant.

On an annual basis, the RMC also undertakes the ICAAP (Internal Capital Adequacy Assessment Process) assessment to understand possible implications on the capital position of the Company. Various stressors are applied through the model to study the impact on the capital position of the company in this process.

The audit process is overseen by the Audit Committee of the Board and is divided between the Statutory Auditors, External Internal Auditors (EIA) and Internal Internal Auditors (IIA). The statutory auditors oversee the statutory audit process. The internal audit process is split between the EIA, an external chartered accountant firm of repute that oversees matters relating to regulation, compliance, taxation etc, and the IIA which is the in-house internal audit team that oversees branch related compliances and operation of all the functions of the company from a day-to-day and process perspective, not covered by the EIA. The scope of each of these teams is clearly laid out at the beginning of the year, with achievement against scope periodically monitored by the Audit Committee, as also the requirement of any changes in scope by way of additions of newer areas of coverage.

The company has developed a risk-based audit framework based on the twin principles of magnitude and frequency of risk, with higher magnitude of risk entailing more frequent testing and vice-versa. Every function is assessed basis these two principles to determine coverage as a part of the audit process.

10. Internal Financial Controls

The Internal Control over Financial Reporting (ICFR) is a process that is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. The Company has in-built controls across the various processes, which are designed to ensure appropriate financial reporting and compliance. The Company uses the services of external consultants not just to validate internal controls but also to bring in best practices that may be prevalent within the industry. The Company's ICFR system including the risk control matrices have been designed to provide a high degree of assurance regarding the effectiveness and efficiency of the controls and mitigants to ensure that the operations and processes remain at acceptable levels, as far as possible.

As part of the ICFR process, Operational, Financial and Compliance Controls are tested on a comprehensive basis to validate the efficacy of internal controls, and the findings of such testing are presented to the Audit Committee on a periodic basis.

11. Corporate Social Responsibility

In line with the requirements of the Companies Act, your Company also undertakes CSR activities across areas such as livelihood, health and education to help the needy get access to good healthcare, education and can lead a good life. Details of your Company's CSR activities are outlined in ESG report forming part of Business Responsibility and Sustainability Reporting (BRSR).

For and on behalf of the board of Directors
Lakshmipathy Deenadayalan
Chairman & Managing Director
DIN: 01723269

Place: Chennai
Date: April 28, 2026

Corporate Governance Report

Report on Corporate Governance

The fundamental objective of "Good Corporate Governance and Ethics" is to ensure that Company's affairs are conducted with the highest standards of integrity, transparency, and accountability which is in adherence with the applicable laws and regulatory requirements while maximizing the stakeholder interests and delivering sustainable long-term value to shareholders, customers, employees, and other business partners.

Company Philosophy

Five-Star Business Finance Limited (Company/Five-Star) has established a robust governance framework characterized by integrity, transparency, accountability and fairness. The Company's governance framework is supported by a well-balanced and professionally experienced Board of Directors, along with its committees, which provide strategic direction and ensure effective oversight of the Company's operations and governance practices. The Board periodically reviews and strengthens the governance framework in line with regulatory requirements. Your Company has adopted internal corporate governance guidelines aligned with its philosophy which are available on the website at https://fivestargroup.in/wp-content/uploads/2026/05/Guidelines-on-Corporate-Governance-April-28-2026.pdf

The Company adheres to the RBI Master Directions, applicable SEBI regulations and relevant RBI circulars and directives issued from time to time.

Board of Directors

The Company's corporate governance framework ensures that the Board of Directors is actively involved in overseeing the Company's affairs. The Board is responsible for monitoring the Company's operations, managing risks, and protecting the interests of stakeholders.

The Company's days to day affairs are managed by the Chairman & Managing Director supported by a competent management team, under the overall supervision of the Board. The Company has in place an appropriate risk management system covering various risks that the Company is exposed to which are discussed and reviewed by the Board and other relevant Board Committees. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board, Senior Management and all employees of the Company.

Composition

In compliance with the provisions of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015, the Board of your Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2026, your Board of Directors consists of Eight (8) members including the Chairman & Managing Director. Of these, five (5) are Independent Directors (out of which Two(2) are Woman Director), one (1) Non-Executive Director and two (2) Executive Director.

Mr Lakshmipathy Deenadayalan is the Executive Chairman & Managing Director of the Company.

The Board members have collective experience in diverse fields like banking and financial services, audit, finance, risk, compliance, technology and data science. The directors are appointed based on their qualifications and experience in varied fields. None of the directors are inter-se related.

The details of directors as of March 31, 2026, including the details of their Board directorship and Committee membership reckoned in line with regulation 26 of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013 the Act as well as their shareholdings, are given below:

Name	Category	No of Shares held in the Company	No of Directorship & Chairmanship including Five-Star as per reg 17A	No of Committee membership including Five-Star as per reg 26	No of Committee where the Director is Chairperson as per Reg 26
Mr Lakshmipathy Deenadayalan	Promoter Chairman & Managing Director	31,027,330	1 (1)	1	-
Mr Anand Raghavan	Independent Director	Nil	4	5	4
Mr T T Srinivasaraghavan	Independent Director	Nil	4 (1)	2	-
Mr Vasan Thirulokchand	Non-Executive Director	Nil	1	1	-
Mr Ramkumar Ramamoorthy	Independent Director	Nil	2	2	1
Ms Bhama Krishnamurthy*	Independent Director	Nil	5	8	-
Ms Rajeshwari Shankar	Independent Director	Nil	1	-	-
Mr Srikanth Gopalakrishnan	Executive Director-Joint Managing Director	15,52,689	1	-	-

**Ms. Bhama Krishnamurthy has completed her tenure as an Independent Director w.e.f April 11, 2026*

The names of the other listed entities where the directors are holding directorship as at March 31, 2026 are given below:

Name	Names of the Listed Entities	Category
Mr Lakshmipathy Deenadayalan	-	-
Ms Bhama Krishnamurthy	Thirumalai Chemicals Limited	Independent Director
	Cholamandalam Investment and Finance Company Limited	Independent Director
	Just Dial Limited	Independent Director
	Muthoot Microfin Limited	Independent Director
Mr Anand Raghavan	Manali Petrochemicals Limited	Independent Director
	SK Finance Limited	Independent Director
	Aptus Value Housing Finance India Limited	Independent Director
Mr T T Srinivasaraghavan	Sundaram Finance Limited	Non-Executive Director
	Sundaram Home Finance	Non-Executive Director
	RK Swamy Limited	Independent Director
Mr Ramkumar Ramamoorthy	Cholamandalam Investment and Finance company Limited	Independent Director
Mr Vasan Thirulokchand	-	-
Ms. Rajeshwari Shankar	-	-
Mr. Srikanth Gopalakrishnan	-	-

Competencies of the Board

The Board has identified core skills, expertise and competencies necessary for effective governance, ensuing alignment with the Company's business operations. These competencies include

Core Skills / Expertise / Competencies		
Financial Services	Strategy & Planning	Risk Management
Corporate Governance	Technology	Management & Leadership

The director-wise skills and competencies are laid out in the table below:

Name	Financial Services	Strategy & Planning	Risk Management	Corporate Governance	Management & Leadership	Technology
Mr Lakshmipathy Deenadayalan	✓	✓	✓	✓	✓	✓
Ms Bhama Krishnamurthy	✓	✓	✓	✓	✓	-
Mr Anand Raghavan	✓	✓	✓	✓	✓	-
Mr T T Srinivasaraghavan	✓	✓	✓	✓	✓	-
Mr Ramkumar Ramamoorthy	✓	✓	✓	✓	✓	✓
Mr Vasan Thirulokchand	✓	-	-	✓	✓	-
Ms. Rajeshwari Shankar	✓	✓	✓	✓	✓	✓
Mr. Srikanth Gopalakrishnan	✓	✓	✓	✓	✓	✓

In the opinion of the Board, the Independent directors of the company fulfill the conditions specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations 2015, as amended ("SEBI LODR Regulations") and Companies Act 2013, demonstrating integrity, expertise and experience and independence from management.

Independent Directors

Pursuant to Section 149(7) of the Companies Act, 2013 read along with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013 and Regulation 25(8) of the SEBI LODR Regulations, the Company has received necessary declarations/ disclosures from each of the Independent Directors of the Company stating that he/she meets the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and that he/she has a valid certificate of registration for his/her enrollment into the data bank for Independent Directors.

None of the Independent Directors are Promoters or are related to Promoters. They do not have pecuniary relationship with the Company and do not hold two percent or more of the total voting power of the Company.

The Company has formulated and adopted a policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Master Directions. All the Directors have confirmed that they satisfy the fit and proper criteria at the time of the appointment / re-appointment and on a continuing basis as prescribed under the RBI Master Directions. The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company at https://fivestargroup.in/corporate-governance/

During the year under review, in line with the requirement under section 149(8) and schedule IV of the Act, the independent directors had a separate meeting on April 21, 2025, to enable Independent Directors, discuss matters relating to the Company's affairs and put forth their views without the presence of the non-independent directors and management team.

Formal Induction and Familiarisation Programme

The Company's Independent Directors are eminent professionals and are fully conversant and familiar with the business of the Company. The Company conducts an ongoing familiarization programme for all Directors to enhance their understanding of their roles, responsibilities, industry dynamics and Company operations. These programs include regular briefings during Board and Committee meetings, covering operational, financial and strategic aspects. Details of familiarization programme are available on the website of the company at https://fivestargroup.in/corporate-governance/

Code of Conduct

Your Company has adopted a Code of Conduct applicable to Board members and Senior Management, ensuring ethical business practices and uniform standards of conduct. All the Board members and senior executives have affirmed compliance for the financial year 2025-26. A declaration to this effect, signed by the Managing Director, is attached as **Annexure I**.

Meetings of the Board

The Board meets at regular intervals , adhering to an annual calendar to ensure effective oversight of strategic, financial, operational and compliance matters. Meetings are structured to facilitate comprehensive discussions with management providing necessary updates on key business activities.

The Board / Committee Meetings are convened by giving appropriate notice well in advance of the meetings. The Directors / Members are provided with appropriate information in the form of agenda in a timely manner to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management. The Management Team attends the Board and Committee meetings upon invitation on a need basis. The Board also takes on record the declarations and confirmations made by the Executive Director, Chief Financial Officer and Company Secretary, regarding compliance with all applicable laws.

During the financial year ended March 31, 2026, 06 (Six) Board Meetings were held on April 29,2025, July 28, 2025, September 20, 2025, October 29, 2025, January 28,2026, and March 17, 2026. The interval between two consecutive meetings did not exceed 120 days, ensuring compliance with statutory requirements. Meetings were conducted in compliance with applicable laws, with video conferencing facilities available for Directors who were unable to attend meetings in person.

Particulars of the Directors' attendance to the Board Meetings during the financial year ended March 31, 2026, are given below:

Name of the Directors	Designation & Category	No. of meetings entitled to attend	No. of meetings attended	% of attendance	Attendance at last AGM held on September 09, 2025
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	6	6	100.00%	Yes
Ms Bhama Krishnamurthy	Independent Director	6	6	100.00%	Yes
Mr Anand Raghavan	Independent Director	6	6	100.00%	Yes
Mr T T Srinivasaraghavan	Independent Director	6	6	100.00%	Yes
Mr Ramkumar Ramamoorthy	Independent Director	6	6	100.00%	Yes
Ms Rajeshwari Shankar*	Independent Director	1	1	100.00%	NA
Mr Vasan Thirulokchand	Non-Executive Non-Independent Director	6	6	100.00%	Yes
Mr Srikanth Gopalakrishnan	Joint Managing Director - Executive Director	6	6	100.00%	Yes
Mr Rangarajan Krishnan@	Joint Managing Director & CEO	2	2	100.00%	NA

**Appointed as Independent Director w.e.f. February 02, 2026*
@resigned as JMD & CEO w.e.f August 14, 2025

Changes in Board during the Financial Year

Following changes took place in the Board composition during the Financial year under review,

a) Mr. Rangarajan Krishnan (DIN: 07289972), Joint Managing Director & CEO stepped down from the Directorship and CEO position w.e.f. August 14, 2025.

b) Mr Thirulokchand Vasan, Non-Executive Director (DIN 07679930), retired by rotation and being eligible offered himself for reappointment in the last Annual General meeting of the Company held on September 09, 2025.

c) Based on the recommendations of the Nomination and Remuneration Committee, Ms. Rajeshwari Shankar (DIN:01573029) has been appointed as an Additional Director, designated as Non-Executive Independent Director not liable to retire by rotation w.e.f. February 02, 2026. Subsequently the shareholders of the Company vide resolution passed on March 21, 2026, through Postal

Ballot had approved the appointment of Ms. Rajeshwari Shankar (DIN:01573029) as Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years from February 2, 2026, till February 1, 2031.

d) Mr. Srinivasaraghavan Thiruvallur Thattai (DIN: 00018247) has been reappointed as a Non-Executive Independent Director of the Company for a second term of five (5) consecutive years from August 25, 2026, till August 24, 2031 pursuant to approval of the shareholders obtained through postal ballot on March 21, 2026.

Changes in Board after the Financial Year

Ms. Bhama Krishnamurthy (DIN: 02196839) has completed her second term of five consecutive years as an Independent Director and has ceased to be an Independent Director of the Company with effect from April 11, 2026.

Details relating to the change in the Directors are available on the website of the Company www.fivestargroup.in and stock exchanges viz www.bseindia.com, www.nseindia.com.

Director Retiring by Rotation

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, not less than one-third of the total number of retiring directors should retire by rotation, at every Annual General Meeting. For the purpose of this section, the total number of directors to retire by rotation shall not include Independent Directors.

As per provisions of Section 152(6) of the Companies Act 2013, Mr Thirulokchand Vasan (DIN: 07679930) would retire by rotation and being eligible offered himself for re-appointment at 42nd Annual General Meeting of the Company.

Certificate from Company Secretary in Practice

Mr S Sandeep, Managing Partner of M/s S. Sandeep & Associates has issued a certificate as required under the SEBI LODR Regulations, confirming that none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed to this report as **Annexure II**.

Committees of the Board

To facilitate focused decision-making, the Board has constituted various Committees with defined terms of reference. These Committees submit recommendations to the Board for approval. The Board has constituted nine (9) Committees of the Board, such as Audit Committee (AC), Nomination & remuneration Committee (NRC), Stakeholder relationship Committee (SRC), Risk management Committee (RMC), Corporate social responsibility Committee (CSR), Business & resource Committee (BRC), IT strategy Committee (ITC) and Customer service Committee (CSC), Review Committee for Wilful Defaulter (RCWD), in addition to the management Committees. Details of the Committees are published in the website of the Company at https://fivestargroup.in/corporate-governance/

The Board periodically reviews and updates the terms of reference for these Committees to align with evolving governance needs. During the year, the Board accepted all Committee recommendations.

Details of the Committees of the Board and other related information as of March 31, 2026, are given in the table below:

Name of the Directors	AC	NRC	SRC	RMC	CSR	BRC	ITC	CSC	RCWD
Mr Lakshmipathy Deenadayalan	-	-	M	M	C	C	M	M	C
Mr Anand Raghavan	C	M	-	M	M	-	-	-	M
Ms Bhama Krishnamurthy	M	C	-	M	M	-	-	-	-
Mr T T Srinivasaraghavan	M	-	-	C	-	-	-	C	M
Mr Ramkumar Ramamoorthy	-	M	C	M	-	-	C	-	-
Mr Vasan Thirulokchand	-	-	M	-	-	M	-	-	-
Mr Srikanth Gopalakrishnan	-	-	-	-	-	M	M	M	-
Ms Rajeshwari Shankar	-	-	-	-	-	-	-	-	-

C: Chairperson M: Member

Audit Committee

Composition and Meetings

The composition and the terms of reference of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. As on the date of this report, the Audit Committee comprises of the following members:

1. Mr Anand Raghavan, Independent Director (Chairperson)
2. Ms Bhama Krishnamurthy, Independent Director
3. Mr. T T Srinivasaraghavan, Independent Director

The Audit Committee of the Board met four (4) times during the financial year on April 29, 2025, July 28, 2025, October 28, 2025 and January 27, 2026 respectively. The gap between two meetings of the Committee did not exceed one hundred and twenty days (120) and the requisite quorum was present in all the Committee meetings. The Chairperson of the Audit Committee is an Independent Director. All the Members of the Committee are financially literate and possess strong accounting and financial management expertise. The Managing Director, Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr Anand Raghavan	Independent Director	Member & Chairperson	4	4
Mr T T Srinivasaraghavan	Independent Director	Member	4	4
Ms Bhama Krishnamurthy*	Independent Director	Member	4	4

**Cease to be member of Committee effective April 11, 2026, and Ms. Rajeshwari Shankar, Independent Director was inducted as member of the Committee effective Apri 11, 2026*

Brief description of Terms of reference:

The Audit Committee is one of the key pillars of Corporate Governance, as it ensures hygiene in financial reporting and audit matters. The scope of the Committee primarily comes from Schedule II Part C of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR Regulations). The terms of reference inter-alia includes review/oversee the Company's financial reporting process and the disclosure of its financial interest, recommending to the Board for appointment, remuneration and terms of appointment of the statutory auditor, review of annual financial statements & auditors report, review of statement of uses/ application of funds raised through an issue, granting omnibus/prior approval for the related party transactions, review of inter-corporate loans and investments, valuation of undertaking or assets of the Company, review of Internal financial controls, review of internal audit reports (including ensuring adequacy of internal audit function, in terms of strength and scope), approving information system (IS) audit policy, reviewing processes and system of internal audit of all outsourced activities, review of whistle blower mechanism and such other matters as prescribed under Companies Act 2013 and SEBI LODR Regulations.

Nomination & Remuneration Committee

Composition and Meetings

The composition and the terms of reference of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations. As on the date of this report, the Nomination & Remuneration Committee comprises of the following members:

1. Ms Bhama Krishnamurthy, Independent Director (Chairperson)
2. Mr Anand Raghavan, Independent Director
3. Mr. Ramkumar Ramamoorthy, Independent Director

The Nomination & Remuneration Committee of the Board met 4 (four) times during the financial year on April 28, 2025, July 28, 2025, October 27, 2025 and January 28, 2026. The requisite quorum was present in all the Committee meetings. The Committee is chaired by Non-Executive Independent Director. All the members of this Committee are Independent Directors. In addition to the members of the Nomination & Remuneration Committee, these meetings were also attended by the management team members who were considered necessary for providing input to the Committee on need basis. The Company Secretary acts as the Secretary to the Committee.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Ms Bhama Krishnamurthy*	Independent Director	Chairperson	4	4
Mr Ramkumar Ramamoorthy	Independent Director	Member	4	4
Mr Anand Raghavan	Independent Director	Member	4	4

**Cease to be member of Committee effective April 11, 2026. Mr. Ramkumar Ramamoorthy, Independent Director was appointed as Chairperson of the Committee effective April 11, 2026, and Mr. TT Srinivasaraghavan, Independent Director was inducted as member of the committee effective April 11, 2026*

Brief description of Terms of Reference

One of the important aspects of corporate governance is the effective functioning of the Board and its Committees, and key management who acts under the guidance of the Board and its Committees. The Nomination & Remuneration Committees ensure a proper level of balance between executive and non-executive directors and diversity in the Board by undertaking diligence in matters relating to evaluation, appointment and remuneration to the Directors, KMPs and senior management. The scope of the Committee primarily comes from Schedule II Part D of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR Regulations). The terms of reference inter-alia include to consider and recommend persons who are qualified for Board positions, evaluate directors' performance prior to recommendation for re-appointments, assess the fit and proper criteria of all the directors, identify persons who are qualified to be in senior management and recommend their appointments, remuneration payable and removal. Further, the Committee shall work with risk management Committee to achieve effective alignment between compensation and risks.

Performance Evaluation of Board, its Committees and Directors

In compliance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the Company's Directors Appointment, Remuneration and Evaluation Policy, the Board carried out a formal annual evaluation of its own performance as well as the performance of individual Directors, including the Chairman and its various Committees.

This structured assessment was carried out based on the predefined evaluation criteria set forth in the Directors Appointment, Remuneration and Evaluation Policy. The said policy is available on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Appointment-Remuneration-Evaluation-Policy-April-28-2026-1.pdf

The performance evaluation was carried out by Independent external agency as per the criteria laid and the same is reviewed by the Nomination and Remuneration Committee and the Board. The evaluation process was conducted through a secure digital platform, ensuring transparency and confidentiality.

The Independent Directors in a separate meeting held during the year, reviewed the performance of Non- Independent Directors and assessed the overall effectiveness of the Board. Key areas of evaluation included the quality, timelines and adequacy of information exchange between Management and the Board.

Stakeholders Relationship Committee

Composition and Meetings

The composition and the terms of reference of the Committee are in conformity with Regulation 20 of the SEBI LODR Regulations. As on the date of this report, the Stakeholders Relationship Committee comprises of the following members:

1. Mr Ramkumar Ramamoorthy, Independent Director (Chairperson)
2. Mr Lakshmipathy Deenadayalan, Chairman & Managing Director
3. Mr Thirulokchand Vasan, Non-Executive Director

The Stakeholders Relationship Committee met on March 18, 2026. The requisite quorum was present in the Committee meeting. The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr Ramkumar Ramamoorthy	Independent Director	Chairperson	1	1
Mr Thirulokchand Vasan	Non-Executive Director	Member	1	1
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	Member	1	1

Brief description of Terms of Reference

The Stakeholders relationship Committee inter-alia oversees the investor grievances. The primary scope of the Committee comes from Schedule II Part D of SEBI LODR Regulations. It considers and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

Details of Investor Complaints

While the Company has dematerialized its shares and debentures, there are still some shareholders who hold their shares in physical form. The Company has appointed Kfin Technologies Limited (KFIN) as Registrar and Share Transfer Agent for the equity shares and NSDL Data Base Management Limited (NDML) as its Registrar and Transfer Agent for its debt securities. Both these entities have adequate systems to ensure provision of proper service to the shareholders and debenture holders in accordance with applicable corporate and securities laws and as per accepted service standards.

The company has received 4 complaints from the investors of the Company during the year. All the Complaints were duly resolved to the satisfaction of investors and there were no complaints that are pending to be resolved as on March 31, 2026. All the queries received from investors were duly addressed by the RTAs of the Company

Risk Management Committee

Composition and Meetings

The composition and the terms of reference of the Committee are in conformity with the provisions of Regulation 21 of the SEBI LODR Regulations and Master Directions issued by Reserve Bank of India. As on the date of this report, the Risk Management Committee comprises of the following members:

1. Mr T T Srinivasaraghavan, Independent Director (Chairperson)
2. Mr Lakshmipathy Deenadayalan, Chairman & Managing Director
3. Mr Anand Raghavan, Independent Director
4. Mr Ramkumar Ramamoorthy, Independent Director
5. Ms Bhama Krishnamurthy, Independent Director

The Risk Management Committee met 2 (Two) times during the financial year on July 22, 2025 and December 16, 2025. The requisite quorum was present in all the Committee meetings. The Company Secretary acts as the Secretary to the Risk Management Committee.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr T T Srinivasaraghavan	Independent Director	Chairperson	2	2
Mr Anand Raghavan	Independent Director	Member	2	2
Mr Ramkumar Ramamoorthy	Independent Director	Member	2	2
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	Member	2	2
Ms Bhama Krishnamurthy*	Independent Director	Member	2	2

**Cease to be member of Committee effective April 11, 2026 and Ms. Rajeshwari Shankar, Independent Director was inducted as member of the Committee effective April 11, 2026.*

Brief description of Terms of Reference

The Risk Management Committee is constituted under the framework and terms of reference provided under SEBI LODR and Master Directions issued by Reserve Bank of India as applicable to the Company. It inter-alia considers and formulates a detailed risk management policy, ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, periodically review the risk management policy, including by considering the changing industry dynamics and evolving complexity, appointment, removal and terms of remuneration of the Chief Risk Officer. Besides, the Committee periodically monitors the critical risk exposures and makes recommendations to the Board, reviews outsourcing risks, review of IT/ cyber security related risks in consultation with IT strategy Committee and evaluate the overall risks faced by the company including liquidity risk.

Corporate Social Responsibility Committee Composition and Meetings

The composition and the terms of reference of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. As on the date of this report the Corporate Social Responsibility Committee comprises of following members:

1. Mr Lakshmipathy Deenadayalan, Chairman & Managing Director (Chairperson)
2. Mr Anand Raghavan, Independent Director
3. Ms Bhama Krishnamurthy, Independent Director

The Corporate Social Responsibility Committee of the Board met 3 (Three) times during the financial year on April 28, 2025, September 22, 2025 and March 17, 2026. The requisite quorum was present in all the Committee meetings. The Company Secretary acts as the Secretary to the CSR Committee.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	Chairperson	3	3
Mr Anand Raghavan	Independent Director	Member	3	3
Ms Bhama Krishnamurthy*	Independent Director	Member	3	3

**Cease to be member of Committee effective April 11, 2026 and Mr. Thirulokchand Vasan, Non-Executive Director was inducted as member of the Committee effective April 11, 2026.*

Brief description of Terms of Reference

The Corporate Social Responsibility Committee inter-alia formulates CSR policy, recommends the amount of expenditure to be incurred, oversees the CSR projects, recommend the annual action plan in pursuance of the CSR policy and such other matters as prescribed under Companies Act 2013 and carry out any other function or activity as may be required to ensure that the CSR objectives are met.

IT Strategy Committee - Composition and Meetings

The composition and the terms of reference of the Committee are in conformity with the provisions of Master Directions issued by Reserve Bank of India. As on the date of this report, the IT Strategy Committee comprises of the following members:

1. Mr Ramkumar Ramamoorthy, Independent Director - Chairperson
2. Mr Lakshmipathy Deenadayalan, Chairman & Managing Director - Member
3. Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO

The IT Strategy Committee meets regularly to review the areas falling within their terms of reference as given below. During the financial year ended March 31, 2026, the IT Strategy Committee met 4 (four) times on June 26, 2025, September 18,2025, December 16, 2025 and March 18, 2026. The requisite quorum was present in all the Committee meetings. The Company Secretary acts as the Secretary to the IT Strategy Committee.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr Ramkumar Ramamoorthy	Independent Director	Member & Chairperson	4	4
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	Member	4	4
Mr Srikanth Gopalakrishnan*	Joint Managing Director & CFO	Member	3	3
Mr Rangarajan Krishnan**	Joint Managing Director & CEO	Member	1	1

**Inducted as member of the Committee effective August 14, 2025*

***Ceases to be member of the Committee effective August 14, 2025, consequent to his resignation.*

Brief description of Terms of Reference

The scope of IT Strategy Committee is prescribed under Master Directions issued by Reserve Bank of India. In this regard, the IT Strategy Committee inter-alia recommends/approve the IT strategy and policy documents, oversees the IT process and practices that ensure that the IT delivers value to the business, review the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources, ensuring proper balance of IT investments for sustaining Five Star's growth and becoming aware about exposure towards IT risks and controls, review of adequacy and effectiveness of the business continuity planning and disaster recovery management.

Business & Resource Committee

Composition and Meetings

As on the date of this report, the Business & Resource Committee comprises of the following members:

1. Mr Lakshmipathy Deenadayalan, Chairman & Managing Director (Chairperson)
2. Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO
3. Mr Thirulokchand Vasan, Non-Executive Director

The Business & Resource Committee of the Board met 18 (Eighteen) times during the financial year on May 09,2025, May 30,2025, June 05, 2025, June 26, 2025, June 28, 2025, July 07, 2025, August 06, 2025, August 25, 2025, September 04, 2025, September 25, 2025,October 08, 2025, November 12, 2025,December 10, 2025, December 26, 2025, January 05, 2026, February 02, 2026, February 12, 2026 and March 25, 2026. The requisite quorum was present in all the Committee meetings.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	Chairperson	18	14
Mr Thirulokchand Vasan	Non-Executive Director	Member	18	17
Mr Srikanth Gopalakrishnan^	Joint Managing Director	Member	18	17

Brief description of Terms of Reference

The Business & Resource Committee acts upon the delegation of authority provided by the Board of Directors of the Company, it engages as and when required by the business, to approve various requirements such as fund raising by way of issuance and allotment of non-convertible debentures, ESOPs, securitization, credit facilities from banks/financial institutions, approve investments / borrowings, and assignment of receivables as per the limits prescribed by the Board. It further undertakes operational activities such as approval for issuance of duplicate share certificates/letter of confirmation and matters relating to transmission of shares.

Customer Service Committee

Composition and Meetings

The Customer Service Committee comprises of the following members:

1. Mr T T Srinivasaraghavan, Independent Director - Chairperson
2. Mr Lakshmipathy Deenadayalan, Chairman & Managing Director - Member
3. Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO

The Committee met two (2) times on September 22, 2025 and March 20, 2026 during the financial year 2025 - 2026.

The details of the attendance of the said meetings are given below:

Name of Members	Category	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr T T Srinivasaraghavan	Independent Director	Chairperson	2	2
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director	Member	2	2
Mr Srikanth Gopalakrishnan	Joint Managing Director & CFO	Member	2	2

Brief description of Terms of reference

The Customer Service Committee inter-alia determines the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman /Deputy Internal Ombudsman based on the experience and expertise, review and analyze Customer Complaints furnished by the Internal Ombudsman, approve a Standard Operating Procedure (SOP) for handling complaints and recommend to the Board for its approval, review all cases where the decision of the Internal Ombudsman has been rejected by the Company, review the mechanism of Complaints Management Software.

Remuneration to Directors

The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Companies Act 2013 and RBI guidelines.

The compensation paid to the directors is within the statutory ceiling and the scale approved by the Board and shareholders. The non-executive directors are also paid sitting fees subject to the statutory ceiling for all Board and Committee meetings attended by them.

During the financial year ended March 31, 2026, there were no pecuniary relationship / transactions of any non-executive directors with the Company, apart from receiving remuneration as directors.

During the financial year ended March 31, 2026, the Company did not advance any loans to any of its directors.

Criteria for Board Nomination

The Nomination & Remuneration Committee is responsible for identifying persons for nomination as directors and evaluating incumbent directors for their continued service. The Committee has formulated a charter in terms of the provisions of the Act, regulation 19(4) of SEBI LODR Regulations and RBI guidelines, which inter-alia, deals with the personal traits, competencies, experience, background, and other fit and proper criteria. These attributes shall be considered for nominating candidates for Board positions/re-appointment of directors.

Criteria for appointment of Senior Management

The Nomination & Remuneration Committee is responsible for identifying and recommending persons who are qualified to be appointed in senior management including recommending their promotion / remuneration. The committee has formulated the charter in terms of the provisions of the Act and SEBI LODR Regulations, which inter-alia, deals with the criteria for identifying persons who are qualified to be appointed in senior management and periodical review of succession planning for board and senior management. These attributes shall be considered for nominating candidates for senior management positions.

Particulars of Senior Management

The Senior Management are identified as per SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 read with Directors Appointment Remuneration and Evaluation Policy. As on March 31, 2026, the following persons were identified as Senior Management of the Company.

Name	Designation
Mr Lakshmipathy Deenadayalan	Chairman & Managing Director
Mr Srikanth Gopalakrishnan	Joint Managing Director & CFO
Mr Vishnuram Jagannathan	Chief Operating Officer
Mr Vanamali Sridharan	Chief Technology Officer
Mr Jayaraman Sankaran	Chief Risk Officer
Mr Prasanth S	Chief Treasury Officer
Mr Sai Suryanarayana	Chief People Officer
Mr Vijayaraghavan R	Chief Compliance Officer
Mr Sreenivas K	Head- Finance
Mr Arunkumar	Senior Head-Accounting
Mr C Vinay Kumar	Head- Internal Audit
Mr Vigneshkumar S M	Company Secretary & Compliance Officer

During the year ended March 31, 2026, Mr. Rangarajan Krishnan, Joint Managing Director & CEO resigned as Joint Managing Director & CEO w.e.f August 14, 2025.

Policy on Board diversity

The Nomination & Remuneration Committee has devised a policy on Board diversity which sets out the approach to diversity on the Board of the Company. The policy provides for having a truly diverse Board, comprising of appropriately qualified people with a broad range of experience relevant to the business of the Company.

Remuneration to Executive Directors

The details of remuneration as approved by the Board and shareholders based on the recommendations of the Nomination & Remuneration Committee and paid to Executive Directors. for the financial year ended March 31, 2026, are as follows:

Amount (In Lakhs)

Particulars	Lakshmipathy Deenadayalan Chairman & Managing Director	Srikanth Gopalakrishnan Joint Managing Director & CFO
Fixed Salary	626.91	133.23
Commissions, Bonus, etc.	413.28	84.92
Total	1,040.20	218.15
Stock Options Details	Nil	a. 2,80,000 options were exercised under ASOP 2018 during the year. b. 40,000 options have vested and remained outstanding under ASOP 2018, to be exercised as per the terms of such scheme. c. 4,00,000 options were unvested and remain outstanding under ASOP 2023 scheme. The option under ASOP 2023 shall vest equally in 3 years and 5 years respectively from the date of grant.

Remuneration to Non-Executive Directors

Sitting Fees

All directors except the Chairman and Managing Director, Joint Managing Director and Non-Executive Directors representing investors are paid a sitting fee of INR 75,000 for attending every meeting of the Board, INR 60,000 for attending every meeting of the Audit Committee and INR 50,000 for attending every meeting of Nomination and Remuneration Committee, Risk Management Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Meeting of Independent Directors, Stakeholder relations committee, Customer Service Committee and Review Committee of wilful defaulter

The details of sitting fees paid to Directors for the financial year are as follows:

		Sitting Fees (INR)	
Name	Designation	Board	Committee
Mr Anand Raghavan	Independent Director	450,000	740,000
Ms Bhama Krishnamurthy	Independent Director	450,000	740,000
Mr T T Srinivasaraghavan	Independent Director	450,000	490,000
Mr Ramkumar Ramamoorthy	Independent Director	450,000	600,000
Ms Rajeshwari Shankar	Independent Director	75,000	-
Mr Vasan Thirulokchand	Non-Executive Director	450,000	50,000
Total		**2,325,000**	**2,620,000**

Commission to Non-Executive Director

The Non-Executive Directors (excluding Nominee Directors of Investors) and Independent Directors of the Company are paid remuneration by way of annual commission based on the recommendation by the Nomination & Remuneration Committee and approval by the Board within the limits prescribed under the Companies Act, 2013.

The details of commission paid to Non-Executive Directors for the financial year ended March 31, 2026 are as follows:

Name	Designation	Commission (INR)
Mr Anand Raghavan	Independent Director	1,500,000
Ms Bhama Krishnamurthy	Independent Director	1,500,000
Mr T T Srinivasaraghavan	Independent Director	1,500,000
Mr Ramkumar Ramamoorthy	Independent Director	1,500,000
Ms Rajeshwari Shankar*	Independent Director	-
Mr Vasan Thirulokchand	Non-Executive Director	1,500,000
Total		**7,500,000**

**Appointed as Independent Director on February 2, 2026*

Criteria for Remuneration to Non-Executive Directors is outlined in the Appointment and Remuneration & Evaluation Policy which is available in the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Appointment-Remuneration-Evaluation-Policy-April-28-2026-1.pdf

Related Party Transactions disclosures

All related party transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business. No materially significant transactions were made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company. During the year, no contracts or arrangements were entered into with related parties that require disclosure in Form AOC-2 under sections 188(1) and 134(3)(h) of the Companies Act, 2013.

The company has in place a policy on related party transactions as approved by the Board and the same is available on the website of the company at https://fivestargroup.in/wp-content/uploads/2026/05/Related-Party-Transactions-Policy-April-28-2026.pdf

Whistle Blower Policy and Vigil Mechanism

Your Company has established a Vigil Mechanism and has adopted a Whistle Blower Policy for directors and employees to report their genuine concerns. The Whistle Blower Policy has been formulated with a view to providing a mechanism for employees and directors to approach the Audit Committee of the Company. The said policy is available on the website of the Company at https://fivestargroup.in/wp-content/uploads/2026/05/Whistle-Blower-Policy-Vigil-Mechanism-April-28-2026.pdf

During the year under review, no complaints were received by the Company and no complaint was outstanding as on March 31, 2026.

Disclosure under POSH Act, 2013

Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year ended March 31, 2026 and there are no complaints pending as on the end of the financial year.

Code for prevention of insider trading

Your Company has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code inter-alia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The Board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The company has also put in place a structured digital database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company regularly sensitize the Insiders and Designated Persons about the adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Subsidiary Company

Your Company does not have any subsidiary Company. However, a policy for determining material subsidiaries is hosted on the website of your Company at https://fivestargroup.in/wp-content/uploads/2026/05/Policy-on-Material-Subsidiaries-April-28-2026.pdf

Web-link of policies as per SEBI (LODR), Regulations 2015

Policy for determining material subsidiaries
https://fivestargroup.in/wp-content/uploads/2026/05/Policy-on-Material-Subsidiaries-April-28-2026.pdf

Policy on Related Party Transactions
https://fivestargroup.in/wp-content/uploads/2026/05/Related-Party-Transactions-Policy-April-28-2026.pdf

Penalties

There were no penalties or strictures imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Fees paid to Statutory Auditors

The total fees paid by the Company during the financial year ended March 31, 2026, to the Statutory Auditors including all entities in

Particulars	Amount (INR in Lakhs)
Fees for audit and related services paid to statutory auditors and affiliates firms and to entities of the network of which the statutory auditor is a part	135.00
Other fees paid to statutory auditors & affiliates firms and to entities of the network of which the statutory auditor is a part	-
Total Fees	**135.00**

their network firm / entity of which they are a part is given below:

Compliance Certificate on Corporate Governance

The certificate on compliance of corporate governance norms from a practicing company secretary is enclosed to this report as **Annexure III**.

MD/CFO Certification

Pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and Chief Financial Officer have issued a certificate to the Board of Directors certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's Affairs. The same has been taken on record by the Board of Directors.

General Body Meetings

Particulars of last three Annual General Meetings and special resolutions passed are given below:

Year	Date & Time	Venue	Special Resolutions Passed
2025	September 09, 2025, at 10.00 AM	Video Conferencing	- Appointment of Secretarial Auditors - Fixing of borrowings limits for the Company - Creation of Charges on the assets of the Company - Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis
2024	September 13, 2024, at 11.00 AM	Video Conferencing	- Approval of remuneration of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director - Appointment of Mr Rangarajan Krishnan (holding DIN: 07289972) as Joint Managing Director of the Company and fixing remuneration - Appointment of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) as Joint Managing Director of the Company and fixing remuneration - Fixing of borrowing limits for the Company - Creation of Charges on the assets of the Company - Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis - Issue of Share warrants on Preferential basis
2023	September 16, 2023, at 11.00 AM	Video Conferencing	- Revision in remuneration of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director - Fixing of borrowing limits for the Company - Creation of Charges on the assets of the Company - Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis - Ratification of the extension of the benefits under the Five-Star Associate Stock Option Scheme, 2015. - Ratification of the extension of the benefits under the Five-Star Associate Stock Option Scheme, 2015 to the employees of holding, subsidiary companies and group companies (present or future) of the Company - Ratification of Five-Star Associate Stock Option Scheme, 2018 - Ratification of the extension of the benefits under the Five-Star Associate Stock Option Scheme, 2018 to the employees of holding, subsidiary companies and group companies (present or future) of the Company - Approval of Five-Star Associate Stock Option Scheme, 2023 (ASOP 2023) - Approval for extending the benefits of the Five-Star Associate Stock Option Scheme, 2023 (ASOP 2023) to - the employees of the group companies, including holding, subsidiary and associate companies (present or future) of the Company

Extra-Ordinary General Meeting

There were no Extra-Ordinary General Meetings during the financial year ended March 31, 2026.

Postal Ballot

Following resolutions were passed through the postal ballot on March 21, 2026

Year	Date & Time	Special Resolutions Passed	Link for Postal Ballot Results
2026	March 21, 2026	- Appointment of Ms Rajeshwari Shankar (DIN:01573029) as a Non- Executive Independent Director for a term of five (5) consecutive years from February 2, 2026 till February 1, 2031 - Re-appointment of Mr. Srinivasaraghavan Thiruvallur Thattai (DIN: 00018247) as a Non-Executive Independent Director for a second term of five (5) consecutive years from August 25, 2026 till August 24, 2031	https://fivestargroup.in/wp-content/uploads/2026/06/Outcome-of-Postal-Ballot.pdf

The e-voting for Postal Ballot commenced on Friday, February 20, 2026, at 9.00 AM (IST) and concluded on Saturday, March 21, 2026 at 5:00 PM (IST). M/s. S Sandeep & Associates was appointed as Scrutiniser for the postal ballot process. The report of Scrutiniser was submitted to the stock exchanges on March 23, 2026. All the resolutions as above have been passed by the Members with requisite majority and is deemed to have been passed on Saturday, March 21,2026, being the last date for remote E-voting.

General Shareholder Information

Incorporation date	May 7, 1984
CIN	L65991TN1984PLC010844
Registered Office	New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India
Company's correspondence details	**Five-Star Business Finance Limited** New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India Phone: 044 46106200 | Email: secretary@fivestargroup.in Website: www.fivestargroup.in
ISIN (Equity Shares)	INE128S01021

Annual General Meeting

Date and Time	**Monday, August 31, 2026, 10.00 AM (IST)**
Venue	The Annual General Meeting (AGM) will be held through video conference in compliance with the applicable guidelines and circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI)
Contact details of the designated official for assisting and handling investor grievances	Mr. Vigneshkumar SM Company Secretary and Compliance Officer Phone: 044 46106260 Email: cs@fivestargroup.in
Dividend Payment date	The Board, at its meeting held on April 28, 2026, has recommended a final dividend of INR 2 per equity shares for the year ended March 31, 2026. Subject to shareholders approval at the ensuing Annual General Meeting, the dividend will be paid within 30 days from the date of declaration by the shareholders at the ensuing annual general meeting
Listing of Securities:	Equity shares of the Company are listed on NSE & BSE w.e.f November 21, 2022, and Debt Securities were listed with BSE. Name and address of Stock Exchanges are as follows: **BSE Limited** Phiroze JeeJeebhoy Towers, Dalal street, Mumbai - 400 001 **National Stock Exchange of India Limited** Exchange Plaza, Floor 5, Plot C/1, Bandra-Kurla Complex, Bandra (East), Mumbai-400051
Payment of listing fees	The Company has paid the annual listing fees to both BSE and NSE
Symbol	FIVESTAR
Scrip Code	543663
Share Transfer system	As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialized form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and

	transposition which were allowed in physical form should be processed in dematerialized form only. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.
Dematerialization of shares and liquidity	As of 31 March 2026, 99.56 % of the company's shares were held in dematerialized form. The company's shares are regularly traded on BSE and NSE. Those shareholders who hold shares in physical mode are requested to convert their shareholding to demat mode at the earliest.
Registrar and Share Transfer Agent	Equity Shares **KFin Technologies Limited** (Unit: Five-Star Business Finance Limited) Selenium, Tower B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India Phone: 040 67162222 | email: einward.ris@kfintech.com Debt Securities **NSDL Database Management Limited** 4th Floor, Trade World, 'A' Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Phone: 022 4914 2597 | email: sachin.shinde@ndml.in
Debenture Trustees	**Catalyst Trusteeship Limited** 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013, Maharashtra, India Tel: +91 (020) 25280081 | email: dt@ctltrustee.com Website: www.catalysttrustee.com
Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any Convertible Instruments, Conversion date and likely impact on equity	The Board of Directors on October 24, 2024 approved allotment of 410,000 share warrants on preferential basis. During the year under review, certain share warrant holders have exercised their option to convert 310,000 (Three Lakhs Ten Thousand) share warrants into equivalent number of equity shares of the Company at the warrant price of INR 770,00 (face value per share of INR 1.00 and premium of INR 769.00) and subsequently Board approved the allotment of 310,000 (Three Lakhs Ten Thousand) equity shares of INR 1.00 each at a premium of INR 769.00 to the persons who exercised the same. 100,000 share warrant were outstanding as March 31, 2026 and the same were lapsed as on date of signing this report due to conversion option not exercised by concerned warrant holder within 18 months from the date of allotment of warrants. The Company has not issued any GDRs / ADRs or any other Convertible Instruments other than those specified above.
Commodity price risk or foreign exchange risk and hedging	Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. Further, the Company has availed External Commercial Borrowings (ECBs) and has entered into derivative transactions with various counter parties to hedge its foreign exchange risks and interest rate risks associated thereon thereon. The ECBs are fully hedged and do not possess any foreign exchange risk.
Locations / Offices	As on March 31, 2026, the Company's registered office is in Chennai, and it operates out of 844 branches 10 states and 1 union territory, namely Tamil Nadu, Puducherry, Karnataka, Andhra Pradesh, Telangana, Maharashtra, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Rajasthan, and Gujarat
Address for Correspondence	**KFIN Technologies Limited** Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India Phone: 040 67162222 | email: einward.ris@kfintech.com

Company Secretary & Compliance officer
Five-Star Business Finance Limited
New No.27, Old No. 4, Taylor's Road, Kilpauk,
Chennai - 600 010 Ph: 044 46106200
www.fivestargroup.in | cs@fivestargroup.in

Unclaimed Dividend

Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including amendments thereto, dividend if any if not claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to Investor Education Protection Fund ("IEPF").

Year wise details of the dividends to be transferred to IEPF are given below:

Financial Year	Type of Dividend	Date of Declaration	Last Date of claiming unpaid dividend
2024 - 25	Final Dividend	September 9, 2025	October 12, 2032

The details of unclaimed dividends along with the name of the shareholders have been uploaded on the website of the Company in "Investor Education Protection Fund" section under Investors

Shareholders are advised to make their claim for the unclaimed dividends in respect of the shares held by them, by contacting the investor support centre of our Registrar and Share Transfer Agent (RTA), KFin Technologies Limited

Transfer of Equity Shares to IEPF

Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the underlying shares of all dividends which remain unpaid/unclaimed for a period of seven consecutive years be transferred to Investor Education and Protection Fund (IEPF). There were no underlying shares in respect of dividend which remains unpaid/unclaimed for a period of seven consecutive years, required to be transferred during the financial year ended March 31, 2026, as all the underlying shares in respect of past unclaimed/unpaid dividends have been transferred to Investor Education & Protection Fund as per the due process prescribed under the Companies Act 2013. Prior to due date for transfer, the Company had published a notice in the newspapers inviting the shareholders' attention to the aforesaid rules. The Company had also sent out individual communication to the shareholders concerned whose shares are liable to be transferred to IEPF, pursuant to the said rules and also displayed the details on the website of the Company.

Credit Ratings as on March 31, 2026

Year	Instrument	Rating
ICRA	Bank Facilities Non-Convertible Debentures Securitization	ICRA AA- (Stable) ICRA AA- (Stable) ICRA AAA (SO) / AA+(SO) / AA(SO)
CARE	Long term Bank Facilities Long term/Short term Bank facilities Commercial Paper Securitization	CARE AA-; Positive CARE AA-; Positive / CARE A1+ CARE A1+ ICRA AAA (SO)
India Ratings & Research	Bank Facilities Non-Convertible Debentures	IND AA- / Positive IND AA- / Positive

Distribution of Shareholding:

S.No.	Category (Shares)	No. of Holders	% of Holders	No. of Shares	% of Shares
1	1 - 5000	96,153	99.00	18,583,751	6.30
2	5001 - 10000	414	0.43	2,949,961	1.00
3	10001 - 20000	193	0.20	2,768,710	0.94
4	20001 - 30000	63	0.06	1,578,461	0.53
5	30001 - 40000	35	0.04	1,239,440	0.42
6	40001 - 50000	29	0.03	1,290,195	0.44
7	50001 - 100000	72	0.07	5,163,207	1.75
8	100001 and above	170	0.18	261,601,553	88.63
	Total	**97,129**	**100.00**	**295,175,278**	**100.00**

Shareholding pattern as on March 31, 2026:

S.No.	Category (Shares)	No. of Shares	%
1	Foreign Portfolio Investor	98,071,249	33.22
2	Promoters Individuals	52,517,930	17.79
3	Foreign Corporate Bodies	45,008,277	15.25
4	Mutual Funds	38,526,036	13.05
5	Resident Individuals	29,425,600	9.97
6	Alternative Investment Fund	10,716,396	3.63
7	Bodies Corporates	9,902,408	3.35
8	Qualified Institutional Buyer	2,647,832	0.90
9	Promoter Group	2,416,891	0.82
10	Non Resident Indian Non Repatriable	1,568,772	0.53
11	Non Resident Indian Repatriable	1,107,272	0.38
12	Employees	584,069	0.20
13	Key Management Personnel	1,552,694	0.53
14	H U F	608,130	0.21
15	IEPF Authority	518,900	0.18
16	Clearing Members	2,280	0.00
17	Trusts	542	0.00
	Total	**295,175,278**	**100.00**

Demat / Unclaimed Suspense Account

As on March 31, 2026, the Company does not have any equity shares lying in the demat / unclaimed suspense account.

In case the securities are suspended from trading, the director's report shall explain the reason thereof:

Not Applicable

Means of Communication

Your Company focuses on prompt, continuous and efficient communication to all its stakeholders. The Company has provided adequate and timely information to its member's inter-alia through the following means:

i. **Financial Results:** The quarterly, half yearly and annual financial results of the Company are published in the leading newspapers viz Economic Times, Financial express, Business Standard (English), Makkal Kural (Tamil) and are also posted on the Company's Website: www.fivestargroup.in.

ii. **Website:** In compliance with Regulation 46/62 of the SEBI LODR Regulations, the Company has maintained a separate section, i.e. 'Investor Relations' on the Company's website providing all the announcements made by the Company, annual reports, result and policies of the Company.

iii. **Investors/ Analyst Meets:** The Company conducts Calls/ Meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. The Company also conducts one on one call and Meeting with investors.

iv. **Presentations to institutional investors/ analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results and sent to the Stock Exchanges. These presentations, video recordings and transcript of Meetings are available on the website of the Company.

v. **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto through applicable modes. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company.

vi. **NEAPS and NSE Digital Exchange:** NEAPS and NSE Digital Exchange are web based applications designed by NSE for corporates. All periodical and other compliance filings are filed electronically filed on these portals.

vii. **BSE Listing Centre (Listing Centre):** Listing Centre is a web-based application designed by BSE for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.

viii. **SEBI Complaints Redressal System (SCORES):** A centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports by the Company and online viewing by the investors of actions taken on the complaint and its current status.

ix. **Online dispute resolution (ODR):** Securities and Exchange Board of India (SEBI) has rolled out an ODR portal facilitating speedy resolution of disputes. Detailed instructions regarding the process of dispute resolution is provided in the SEBI Circular dated July 31, 2023. Investor may access the Smart ODR portal through https://smartodr.in/login.

Agreements binding on listed entities:

There are no agreements between shareholders, promoters, related parties, directors, or employees, either amongst themselves or with the Company, impacting management control, restrictions or liabilities that require disclosure to Stock Exchanges. This includes agreements with the listed entity, holding companies, subsidiaries, or associates.

Details of non-acceptance of any recommendation of any committee of the board which is mandatorily required:

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

There are no loans and advances in the nature of loans to firms/ companies in which directors are interested.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):
During the Financial year under review, Company has received the balance consideration of 75% amounting to INR 17,90,25,000 (Indian Rupees Seventeen Crore Ninety Lakh Twenty Five Thousand Only) towards conversion of 3,10,000 share warrants into equity shares on a preferential basis pursuant to allotment of 3,10,000 share warrants.

The above proceeds were kept in a separate share application account and remain unutilized as on March 31, 2026.

Compliance with Corporate Governance Norms
The Company has complied with all the mandatory requirements of Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to regulation 27(1) of SEBI (LODR), 2015, the Company has also adopted the following discretionary requirements:

- **Modified opinion(s) in audit report:** Your Company confirms that Audit report on financial statements for FY 2025 - 2026 have unmodified audit opinions.
- **Reporting of internal auditor:** The Internal Auditor of the Company reports directly to the Audit Committee.

Online Services provided by the Registrar and Share Transfer Agent
The shareholders can reach out to the Registrar and Share Transfer Agent, Kfin Technologies Limited, through the modes given below.

Particulars	Information
Email ID Toll Free WhatsApp Number	einward.ris@kfintech.com 1800 309 4001 (91) 910 009 4099
Investor Support Centre (Investors can use a host of services like like post a query, raise a service request, track the status of their DEMAT and REMAT request, Dividend status, interest and redemption status, upload exemption forms (TDS), download all ISR and other related forms)	https://kprism.kfintech.com/
KPRISM: A mobile application as well as a webpage which allows users to access folio details , interest and dividend status, FAQs, ISR Forms and full suite of other investor services	https://kprism.kfintech.com/signup
KFIN Corporate Website Link	https://www.kfintech.com
Corporate Registry (RIS) Website Link	https://ris.kfintech.com
Senior Citizen Investor Support	As part of the initiative, our RTA, in order to enhance investor experience for Senior Citizens, a Senior Citizens investor cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints and queries. The special cell closely monitors the complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance. Senior Citizens wishing to avail this service can send the communication with the below details to the email id senior.citizen@kfintech.com . Senior Citizens (above 60 years of age) must provide the following details: 1. ID proof showing Date of Birth 2. Folio Number 3. Company Name 4. Nature of Grievance A dedicated Toll-free number for Senior Citizens can also be accessed at 1-800-309-4006 for any queries or information

For and on behalf of the board of Directors
Lakshmipathy Deenadayalan
Chairman & Managing Director
DIN: 01723269

Place: Chennai
Date: April 28, 2026

Declaration on Code of Conduct

Annexure I

This is to confirm that the Board has laid down a Code of Conduct for all board members and senior management of the Company. The Code of Conduct has also been published on the website of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2026, as envisaged in schedule V under regulation 34(3) of the SEBI (LODR), 2015.

Lakshmipathy Deenadayalan
Managing Director
DIN: 01723269

Place: Chennai
Date: April 28, 2026

Certificate of Non-Disqualification of Directors

Annexure II

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
FIVE-STAR BUSINESS FINANCE LIMITED
New No. 27, Old No. 4, Taylor's Road,
Kilpauk, Chennai -600010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FIVE-STAR BUSINESS FINANCE LIMITED** (CIN: L65991TN1984PLC010844) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	*Date of Initial appointment in Company
1.	Thiruvallur Thattai Srinivasaraghavan	00018247	25/08/2021
2.	Deenadayalan Lakshmipathy	01723269	21/06/2002
3.	Bhama Krishnamurthy	02196839	12/04/2016
4.	Anand Raghavan	00243485	28/07/2016
5.	Thirulokchand Vasan	07679930	15/12/2016
6.	Ramamoorthy Ramkumar	07936844	08/06/2022
7.	Gopalakrishnan Srikanth	10636810	17/08/2024
8.	K. Rangarajan(*)	07289972	17/08/2024
9.	Rajeshwari Shankar	01573029	02/02/2026

**Ceased to be Director of the company with effect from 14.08.2025*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S Sandeep & Associates**
S Sandeep
Managing Partner
UDIN: F005853H000226821
FCS No.: 5853
CP No.: 5987
PR No.: 6526/2025

Place: Chennai
Date: April 28, 2026

Certificate on Corporate Governance

(Pursuant to Para E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members,
FIVE-STAR BUSINESS FINANCE LIMITED
(CIN: L65991TN1984PLC010844)

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **FIVE-STAR BUSINESS FINANCE LIMITED** (CIN: L65991TN1984PLC010844) ("the Company"), for the financial year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility:
The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with conditions of Corporate Governance as stated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Responsibility:
Our examination was limited to examining procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

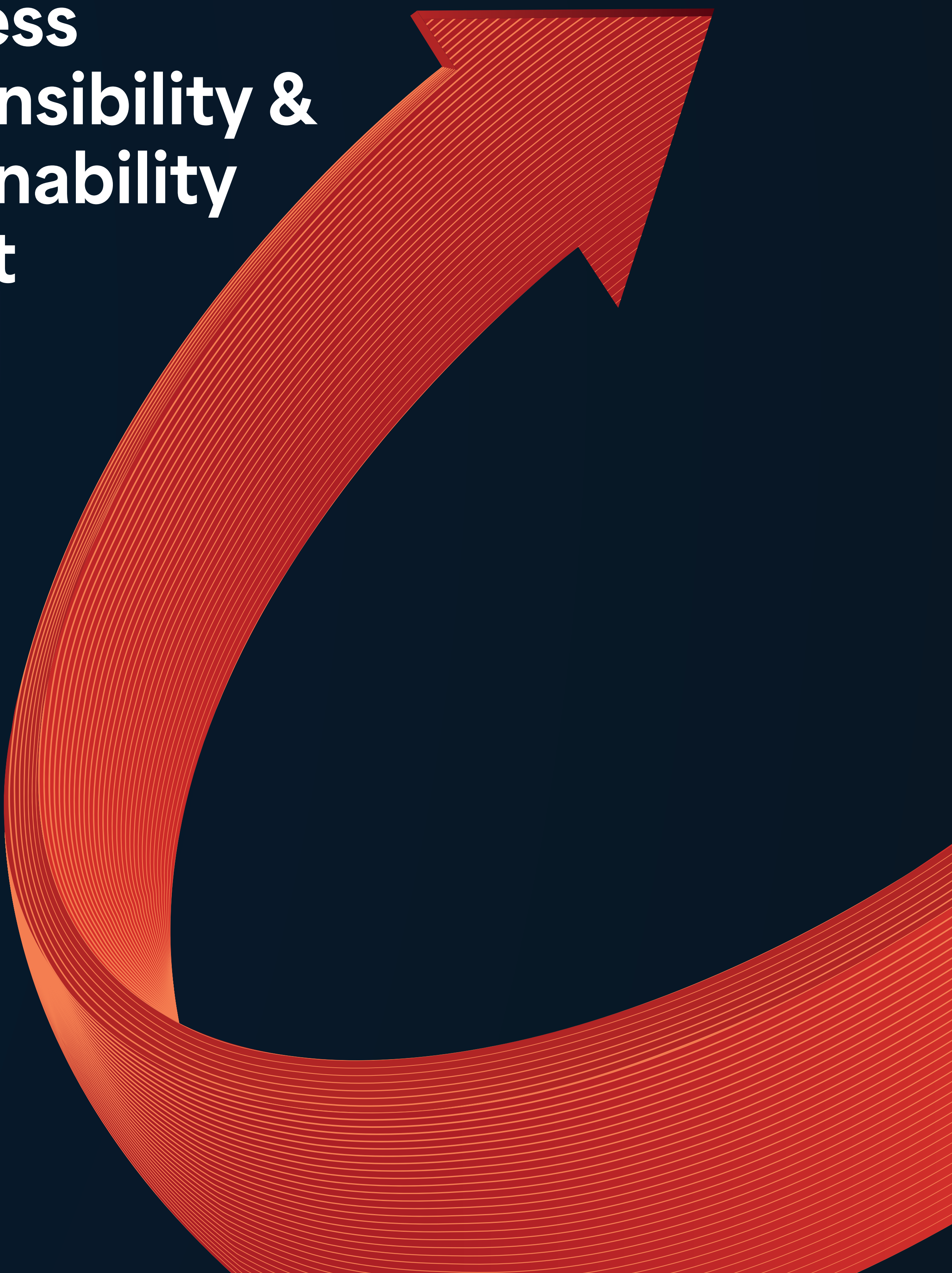
Our Opinion:
In our opinion, on the basis of our examination of the relevant records produced, information provided, the explanations and clarifications given to us, the representations made by the Management, we certify that the Company has complied with all mandatory regulations and the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended March 31, 2026.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S Sandeep & Associates**
S Sandeep
Managing Partner
UDIN: F005853H000226964
FCS No.: 5853
CP No.: 5987
PR No.: 6526/2025

Place: Chennai
Date: April 28, 2026

Business Responsibility & Sustainability Report



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65991TN1984PLC010844
2.	Name of the Listed Entity	FIVE-STAR BUSINESS FINANCE LIMITED
3.	Year of incorporation	1984
4.	Registered office address	New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010
5.	Corporate address	New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010
6.	E-mail	cs@fivestargroup.in
7.	Telephone	044-4610 6200
8.	Website	Five Star Business Finance (www.fivestargroup.in)
9.	Financial year for which reporting is being done	FY 2025 - 2026
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange, Bombay Stock Exchange
11.	Paid-up Capital	INR 295,175,278

Contact Person

12.	Name of the Person	Vigneshkumar S M
	Telephone	044-4610 6260
	Email address	cs@fivestargroup.in

Reporting Boundary

13.	Type of Reporting:	The disclosures in this report have been made on standalone basis for Five Star Business Finance Limited.
	If selected consolidated:	Not Applicable
14.	Name of assessment or assurance provider	SGS India Pvt. Ltd
15.	Type of assessment or assurance obtained	Reasonable Assurance has been provided for BRSR core indicators for the period 1 April, 2025 to 31 March, 2026

II. Product/Services

	S.No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
16. Details of business activities	1.	Onward Lending	Five-Star Business Finance Limited is registered with the Reserve Bank of India (RBI) as a non-deposit taking Non-Banking Financial Company (NBFC). The Company offers secured financial products, primarily in the form of small business loans, to micro-entrepreneurs and self-employed individuals who typically have limited access to formal credit channels. Its operations are largely concentrated in urban and semi-urban markets. The loans extended are predominantly secured against the self-occupied residential properties of borrowers, which account for over 95% of the collateral provided. Loan amounts generally range from ₹ 1 lakh to ₹ 10 lakh, with the majority of disbursements falling below ₹ 5 lakh. These loans are structured with longer repayment tenures, typically between five and seven years, to enhance affordability and customer convenience. Additionally, the Company follows a prudent risk-management approach by maintaining conservative Loan-to-Value (LTV) and Debt Burden Ratio (DBR) thresholds of approximately 50% at the time of loan origination, ensuring adequate security coverage and sustained repayment capability throughout the loan tenure.	100%

17. Products / Services sold by the entity

S.No.	Product / Service	NIC Code	% of Total Turnover Contributed
1.	Small Business	64920	100%

III. Operations

18. Number of locations where plants and/or operations / offices of the entity are situated include:

Location	Number of Plants	No. of Offices	Total
National	0	844	844
International	0	0	0

Market served by the entity	Locations
19. a. No. of Locations	
National (No. of States)	10
International (No. of Countries)	0
19. b. What is the contribution of exports as a percentage of the total turnover of the entity?	Nil; the Company is a domestic entity with 100% of its operations within India, with 100% of its business activities conducted domestically.
19. c. A brief on types of customers	**Secured Business Loans:** The Company operates in the secured lending segment, primarily serving micro-entrepreneurs, small business owners, and self-employed individuals who have limited access to formal credit systems, to meet their business and related financial requirements and other needs.

IV. Employees

20. Details as at the end of financial year:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employees				
a. Employees and workers (including differently abled)						
1	Permanent Employees (D)	14,153	13,824	98%	329	2.32%
2	Other than Permanent Employees (E)	6	5	83%	1	16.67%
3	Total Employees (D+E)	14,159	13,829	98%	330	2.33%
b. Differently abled employees and workers						
1	Permanent Employees (F)	0	0	0	0	0
2	Other than Permanent Employees (G)	0	0	0	0	0
3	Total Employees (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

S.No.	Category	Total (A)	No. and % of Female	
			No. (B)	% (B/A)
1	Board of Directors	8	2	25%
2	Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2025 - 2026 (Turnover rate in current FY)			FY 2024 - 2025 (Turnover rate in current FY)			FY 2023 - 2024 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	57%	32%	56%	46%	32%	45%	49%	28%	49%

V. Holding, Subsidiary, and Associate Companies (including joint ventures)

23. Name of the holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nil	NA	NA	NA

VI. CSR Details

24. a. **Whether CSR is applicable as per section 135 of Companies Act, 2013** Yes

    b. **Turnover (in Rs.)** INR 324,597 lakhs

    c. **Net Worth (in Rs.)** INR 738,015 lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for the grievance redress policy	FY 2025 - 26 (Current FY)			FY 2024 - 25 (Previous FY)		
			Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	Business-Responsibility-and-Sustainability-Reporting-Policy.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes	https://fivestargroup.in/investor-grievances/	0	0	-	0	0	-
Shareholders	Yes	https://fivestargroup.in/investor-grievances/	4	0	All complaints reported during the period have been reviewed and resolved.	0	0	-
Employees and workers	Yes	Whistle-Blower-Policy-Vigil-Mechanism.pdf	0	0	-	0	0	-
Customers	Yes	Grievance-Redressal-Policy.pdf	956	151	A total of 956 complaints were recorded, of which 151 are currently pending and in the process of being resolved.	250	0	-
Value Chain Partners	Yes	Business-Responsibility-and-Sustainability-Reporting-Policy.pdf	0	0	-	0	0	-
Others (please specify)		NA	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)

Please refer the section on 'Material ESG issues in the ESG section of the Annual Report

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates the following nine principles referred to as P1 to P9.

P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 - Businesses should promote the wellbeing of all employees

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 - Businesses should respect and promote human rights

P6 - Business should respect, protect, and make efforts to restore the environment

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

c. Web Link of the Policies, if available	Web links of the policies which cover the principles and core elements of the NGRBCs are as follows: **BRSR Policy:** Business-Responsibility-and-Sustainability-Reporting-Policy.pdf **POSH:** Policy-on-Prevention-of-Sexual-Harassment.pdf **Code of Conduct:** Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf **Whistle Blower Policy:** Whistle-Blower-Policy-Vigil-Mechanism.pdf **Investor Policy:** https://fivestargroup.in/investor-grievances/ **Risk Management Policy:** Risk-Management-Policy.pdf **CSR Policy:** Corporate-Social-Responsibility.pdf **Remuneration Policy:** Appointment-Remuneration-Evaluation-Policy.pdf **Board Diversity Policy:** Board-Diversity-Policy.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes
3. Do the enlisted policies extend to your value chain partners (Yes / No)	Yes, While the Company has not formally identified material ESG risks emanating from its value chain, the Company expects all value chain partners with whom it enages to adhere to fundamental principles aligned with its Business Responsibility and Sustaintability Policy. These include ethical business practices, compliance with applicable laws, respect for human rights and environmental responsibility. The Company's policies are publicly available on its website. Further, under Principle 4, the Company has stated that it expects value chain partners to operate responsibly and in alignment with key sustainability principles. The Company remains committed to progressively strengthening its engagement with value chain partners on ESG matters in line with evolving regulatory requirements and industry practices.
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance,Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Nil
5. Specific commitments,	Five Star is working towards identifying goals and targets and will be disclosed in future reports.
6. Performance of the entity	1. The Company has been working extensively towards the goal of financial and serving the needs of the underserved. 2. The Company is also committed to contributing to community development through its CSR activities Details of the same are presented in the ESG Report.

Governance, Leadership, and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements	Please refer the ESG Report for a statement from the Chairman & Managing Director, highlighting our ESG Goals, performance and outlook.
8. Details of the highest authority responsible for implementation and oversight for the Business Responsibilty Policy (ies)	Mr. Lakshmipathy Deenadayalan, Chairman & Managing Director, is the highest authorithy responsible for implementation and oversight of the Business Responsibilty Policies.
9. Does the entity have a specified Committee of the Board / Director responsible for decision-making on sustainability-related issues? (Yes / No) If Yes, provide details	Mr. Lakshmipathy Deenadayalan, Chairman & Managing Director, is the highest responsible for decision making in relation to sustainability related focus areas, goals and other issues. The CSR Committee reviews the business responsibilty initiatives on a periodic basis. Further, the Board/Customer Service Committee periodically reviews the responsible business conduct practices (including adherence to Fair Practices).

10. Details of Review of NGRBCs by the Company:

Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	
Performance against the above policies and follow-up action	The aforementioned policies have been approved by the Board and its Committees. The same has also been reviewed by the Company's Senior Management. Performance against the policies is reviewed on annual basis.
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	Audit Committee of the Board, along with the Management team and review and ensure continued compliance with laws applicable to the Company. No non-compliances were observed/reported in this reporting period.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	No								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated	Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	Corporate Governance	100%
Key Management Personnel	6	Corporate Governance	100%
Employees other than BODs and KMPs	70	Aspects covered in training include: • Code of Conduct • Prevention of Sexual Harassment • Health and Safety	98%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		• Information Security • Employee Benefits and Policies • Grievance Redressal • Fair Practice Code Five-Star Business Finance Limited remains committed to continuosly expanding the scope of employee training to include emerging regulatory requirements, sustaintability awareness and ethical business conduct.	
Workers	NA	NIL	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

a. Monetary					
Type	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL
b. Non-Monetary					
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, as per Five Star's anti-corruption policy, it goes against the company's policy to give anything of value to anybody directly or indirectly in order to influence decisions, unlawfully obtain or maintain business, or otherwise benefit unjustly from business connections. Receiving or agreeing to receive anything of value that causes or would cause to breach the duties at Five Star is also prohibited. The web-link of the policy - Anti-Corruption-or-Anti-Bribery-Policy.pdf.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2026 Current Financial Year		FY 2025 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable;

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Number of days of accounts payables	NA	NA

9. Open-ness of Business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NA	NA
	b. Sales (Sales to related parties / Total Sales)	NA	NA
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	NA	NA

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes

During the year, the Company did not conduct formal sustainability specific awareness programmes for its value chain partners. However, the Company remains committed to enhancing engagement with value chain partners on sustainability issues and intends to explore such initiatives in future years as part of its ESG roadmap

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has established a Code of Conduct applicable to the Board of Directors and Senior Management Personnel. On an annual basis, Directors and Senior Management Personnel submit formal confirmation affirming compliance with the Code of Conduct for the financial year under review and declaring the absence of any conflicts of interest during the period. Further, Directors and Senior Management Personnel abstain from participating in discussions and decision-making on matters at Board or Committee meetings where they have an actual or potential interest. The Code of Conduct is available for reference at the link provided below.

Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The company is in the business of offering financial services (small business loans and mortgage loans) and does not have significant scope for investing in R&D activities.

Type	FY 2026 Current Financial Year	FY 2025 Previous Financial Year	Details of improvement in social and environmental aspects
Research & Development (R&D)	NA	NA	NA
Capital Expenditure (CAPEX)	NA	NA	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No, given the nature of the Company's business, the Company sources materials only for running its operations. Accordingly, sustainable sourcing is not a key focus area of for the Company

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging) b. E-Waste c. Hazardous Waste	Hazardous and e-waste are disposed through authorized recyclers, in accordance with the laws of the land.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The company is in the business of providing secured lending solutions primarily catering to micro-entrepreneurs, small businesses and self-employed individuals hence the said assessment is not applicable

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency - (Yes/No)	Results communicated in public domain - (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Since the company is in loan lending business, no inputs materials are used in the same.

Indicate input material	Recycled or re-used input material to total material FY 2026 Current Financial Year	FY 2025 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 Current financial year			FY 2024-25 Previous financial year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

The company is in the business of providing secured lending solutions primarily catering to micro-entrepreneurs, small businesses and self-employed individuals, utilisation of packaging materials and wastes generated thereof is negligible.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

The company is in the business of providing secured lending solutions primarily catering to micro-entrepreneurs, small businesses and self-employed individuals hence reclaiming products and their packaging materials does not arise.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

FY 2025-26 Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	13,824	13,824	100%	13,824	100%	0	0%	0	0%	0	0%
Female	329	329	100%	329	100%	329	100%	0	0%	0	0%
Total	14,153	14,153	100%	14,153	100%	329	2%	0	0%	0	0%
Other than Permanent Employees											
Male	5	5	100%	5	100%	0	0%	0	0%	0	0%
Female	1	1	100%	1	100%	1	100%	0	0%	0	0%
Total	6	6	100%	6	100%	1	17%	0	0%	0	0%

b. Details of measures for the well-being of workers

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%
Other than Permanent Workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Particulars	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.34%	0.27%

2. Details of retirement benefits, for Current FY and Previous financial year:

Benefits	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	14,154	99.96%	Yes	11,930	(100%)	Yes
Gratuity	14,153	99.96%	Yes	11,930	(100%)	Yes
ESI	6,451	45.56%	Yes	6,913	(57%)	Yes
Others	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is committed to creating an inclusive and accessible workplace for differently abled employees in line with the Rights of Persons with Disabilities Act, 2016.The Company's corporate office premises are equipped with facilities such as elevators and /or ramps wherever feasible, to enhance accessibility. However, certain branch offices located in Tier 3 to Tier 6 cities operate from rented premises, where structural modifications may not always be possible due to property constraints. Despite this, the Company strives to provide reasonable facilities to ensure accessibility for all employees wherever practicable.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes. The Company adheres to the principles of equal opportunity and is committed to fostering a workplace that provides equitable growth and development opportunities to all employees, including persons with disabilities. The Company has formulated an Equal Opportunity Policy in accordance with the Rights of Persons with Disabilities Act, 2016. The policy can be accessed at Equal Opportunity Policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Total number of people returned after parental leave in FY 2025-26	Total Number of people who took parental leave in FY 2025-26	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
Permanent Employees						
Male	0	0	0%	0	0	0%
Female	11	16	69%	10	11	91%
Others	0	0	0%	0	0	0%
Total	11	16	69%	10	11	91%
Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes / No	Details of the mechanism in brief
Permanent Employees	Yes	All permanent employees of Five Star have access to a well-established Grievance Redressal Mechanism, regardless of their hierarchical level. The Company has implemented a Whistle-Blower Policy that enables employees and Directors to report concerns related to unethical behavior, actual or suspected fraud or violations of the Company's Code of Conduct without fear of retaliation. Additionally, the Company maintains a zero-tolerance policy towards sexual harassment in the workplace. The Company is fully compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including the constitution of an Internal Complaints

Category	Yes / No	Details of the mechanism in brief
		Committee (ICC) to address complaints in a confidential and timely manner
Other than Permanent Employees	Yes	Grievances reported by employees other than Permanent Employees are addressed within ten working days to ensure timely and fair resolution

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	13,824	NA	0%	11,571	NA	0%
Female	329	NA	0%	358	NA	0%
Total	14,153	NA	0%	11,929	NA	0%
Other than Permanent Employees						
Male	5	NA	0%	5	NA	0%
Female	1	NA	0%	0	NA	0%
Total	6	NA	0%	5	NA	0%

8. Details of training given to employees and workers:
a. Details of Skill training given to employees and workers.

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	% (D/C)
Permanent Employees						
Male	13,824	13,600	98.38%	11,571	11,500	99.39%
Female	329	320	97.26%	358	320	89.39%
Others	0	0	0	0	0	0
Total	14,153	13,920	98.35%	11,929	11,820	99.09%
Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

b. Details of training on Health and Safety given to employees and workers.

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety measures (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety measures (D)	% (D/C)
Permanent Employees						
Male	13,824	9,516	68.84%	11,571	7,312	63.19%
Female	329	74	22.49%	358	128	35.75%
Others	0	0	0	0	0	0
Total	14,153	9,590	67.76%	11,929	7,440	62.37%
Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current FY) Total employees / workers in respective category (A)	FY 2025-26 (Current FY) No. of employees / workers in respective category, who had a career review (B)	FY 2025-26 (Current FY) % (B/A)	FY 2024-25 (Previous FY) Total employees / workers in respective category (C)	FY 2024-25 (Previous FY) No. of employees / workers in respective category, who had a career review (D)	FY 2024-25 (Previous FY) % (D/C)
Permanent Employees						
Male	11,576	8,514	73.55%	9,039	7,667	84.82%
Female	358	327	91.34%	288	277	96.18%
Others	0	0	0	0	0	0
Total	11,934	8,841	74.08%	9,327	7,944	85.17%
Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	No
a.1. What is the coverage of such system?	Not Applicable
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The primary occupational risk identified at Five Star relates to Road Safety, given that certain employees are required to travel for business purposes, including customer visits and field operations. The Company has implemented the following measures to mitigate such risks: 1. Employee training in safe driving practices 2. Insurance coverage for employees engaged in travel-related work 3. Periodic communication on road safety guidelines Five Star continuously evaluates workplace risks and is committed to maintaining a safe working environment for all employees.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)	Not Applicable
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. All employees of the Company are covered under a Group Medical Insurance policy, which includes non-occupational healthcare services. The Company strives to support the health and well-being of its employees beyond occupational risks.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-2026	FY 2024-2025
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.615	0.6
	Workers	0	0
Total recordable work-related injuries	Employees	16	17
	Workers	0	0
No. of fatalities	Employees	6	6
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Fire extinguishers are placed at appropriate places to ensure safety environment, At the time of on boarding the new joiners are briefed on the process to be followed at the time of evacuation due to fire/natural calamities. Hand sanitizers are provided at the entry points and also will be provided to employees on need basis

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No such assessments have been undertaken in the current year; no such statutory requirements.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.
Significant health and safety risks identified for our employees relate to Road Safety only. Suitable remedial measures have been instituted.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of
(A) Employees (Y/N) - The company has not enrolled for any life insurance scheme. However, for those covered under PF and ESI, coverage is available as per the respective statute. Additionally the company has covered its employees against personal accident via group personal accident insurance.
(B) Workers (Y/N) - Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners
The Company follows robust monitoring practices to ensure that value chain partners fulfil their statutory obligations as under :
(a)Monthly reconciliation of accounts related to statutory dues for services rendered by value chain partners
(b)Regular reminders to partners regarding timely remittance of statutory dues
(c) Withholding payments to vendors equivalent to any overdue statutory amounts
(d) Suspension of operations with vendors who fail to meet statutory compliance despite repeated reminders
These measures are designed to ensure compliance with applicable laws and protect the Company from regulatory risks associated with non-compliance by third parties.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total No. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 Current FY	FY 2024-25 Previous FY	FY 2025-26 Current FY	FY 2024-25 Previous FY
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
No

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No specific assessment in respect of the value chain partners has been carried out.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Awareness initiatives have been conducted to promote road safety and highlight the importance of wearing helmets.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

At Five Star, stakeholders are defined as individuals, institutions or groups who contribute or create value to the organisation or derive value from Company's operations in alignment with its core vision and mission. Key stakeholder groups identified includes Employees at all levels, Investors, Customers, Lenders and Communities benefitting from CSR initiatives.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Branch level communication	Ongoing	Terms of business; Awareness on NPA, Due date, Fair Practice Code.
Investors	No	Earnings call, website disclosures	Quarterly	Various topics relating to Company's performance;
Communities	Yes	Through CSR initiatives, field visits	Periodic basis	Identifying community needs (healthcare, livelihood, education) assessing CSR impact
Employees	No	-	Ongoing	Policies, performance reviews, compliance with Code of Conduct
Lenders	No	-	Ongoing	The lenders are engaged on a frequent basis on 1. Performance updates, both financial & operational 2. Ad hoc updates, basis any event in the company or external environment The goal is to keep the lenders informed of all significant events through regular updates as well as ad hoc updates based on the occurrence of any significant event. Communication on findings, upgrading of security or hypothecation, covenant compliance, etc. are all examples of periodic updates. In addition to these, there will occasionally be one-on-one meetings with lenders, either during normal limit renewal or review or in response to any significant business-related or external environment incident. These typically include guidance for the short- to medium-term as well as performance updates.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company encourages continuous and proactive engagement with its stakeholders to better communicate its strategies and performance. Feedback and insights gathered from stakeholders are shared with the Board through management presentations and specific Board agenda items addressing stakeholders concerns. This ensures that the Board remains informed on material economic, environmental and social topics and can incorporate stakeholders' perspectives into strategic decision making.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultations play a critical role in shaping the Company's identification and management of environmental and social topics. As part of this process, during the materiality assessment conducted in FY 2025-26, feedback from stakeholders such as customers, employees and lenders was analysed to prioritise sustainability issues. This feedback has guided the Company in refining its ESG focus areas and integrating sustainability considerations into business strategy and policies. Please refer to the ESG Section of the Annual report 2025-26 for further details.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

During the financial year under review, the Company did not receive any specific complaints or concerns raised by vulnerable/ marginalized stakeholder groups. However, the Company actively engages with vulnerable communities through its CSR initiatives focused on healthcare, livelihood and education. These engagements help identify needs and ensure that CSR interventions create meaningful impact.

PRINCIPLE 5: Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total (A)	No. of employees / workers covered(B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	14,153	9,590	67.76%	11,929	7,440	62.37%
Other than Permanent	6	3	50.00%	5	3	60.00%
Total Employees	14,159	9,593	67.75%	11,934	7,443	62.37%
Workers						
Permanent	0	0	0%	0	0	0%
Other than Permanent	0	0	0%	0	0	0%
Total Employees	0	0	0%	0	0	0%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current FY)					FY 2024-25 (Previous FY)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	13,824	2,664	19%	11,160	81%	11,571	877	8%	10,694	92%
Female	329	79	24%	250	76%	358	137	38%	221	62%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	14,153	2,743	19%	11,410	81%	11,929	1,014	9%	10,915	91%
Other than Permanent Employees										
Male	5	2	40%	3	60%	5	2	40%	3	60%
Female	1	0	0%	1	100%	0	0	0%	0	0%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	6	2	33%	4	67%	5	2	40%	3	60%
Permanent Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

a. Median Remuneration/Wages

FY 2025 - 26	Male		Female	
	Number	Median Remuneration of Men (Rs in lakhs)	Number	Median Remuneration of Women (Rs in lakhs)
Board of Directors (BoD)	6	24.13	2	27.68
Key Managerial Personnel	3	256.44	0	0.00
Employees other than BoD and KMP	13,829	3.88	330	3.42
Workers	0	0.00	0	0.00

Remuneration to Board of Directors represents Commission paid to Directors.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Gross wages paid to females as % of total wages	2.16%	2.43%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has various Committees responsible for addressing human rights impacts and issues. The Internal Complaints Committee (ICC) addresses matters related to sexual harassment in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). Additionally, the Company ensures that broader human rights concerns and any issues related to ethics, harassment, discrimination or other human rights violations are appropriately addressed through Company's Grievance Redressal Policy, Fair Practices Code, Code of Conduct and Whistle-Blower Policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company maintains a zero - tolerance policy against all forms of exploitative or forced labour, discrimination, harassment or any abuse. Employees grievances are addressed through POSH framework, the Code of Conduct and Whistle Blower Policy. As for customers, they can lodge complaints via calls, emails or letters under the Grievance Redressal Policy. All Complaints are resolved in a time-bound manner, overseen by senior management and the relevant committees

For customers, a structured Grievance Redressal Policy is in place, under which complaints can be lodged through multiple channels, including telephone calls, emails, or written communication addressed to the designated grievance redressal officer.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NA	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NA	NIL	NIL	NIL
Child Labour	NIL	NIL	NA	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NA	NIL	NIL	NIL
Wages	NIL	NIL	NA	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workspace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes, A whistleblower policy and vigil system, a code of conduct for directors and senior management, a policy on combating sexual harassment, and a code of fair behavior are all in place as methods for reporting instances of discrimination and harassment. The complainant will be completely protected from any unfair practices such as retaliation, threats of termination or suspension of employment, disciplinary action, transfer, demotion, refusal of promotion, or similar actions, as well as any direct or indirect use of authority to obstruct the his/her right to continue performing his duties and functions, including additional protected disclosure. The Grievance Redressal Policy has also clearly laid out the hierarchy for escalation for the customers to ensure they are treated fairly and respectfully throughout the compliant resolution process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes; the Company includes compliance requirements related to human rights in its agreements and contracts with vendors and partners. These requirements include (1) prohibition of child labour and forced / involuntary labour (2) compliance with applicable laws regarding health, safety and working conditions.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	100%, The Company does not engage child labour in any of its offices / branches
Forced / Involuntary Labor	NIL, No forced / involuntary labor
Sexual Harassment	100%, as per POSH Policy
Discrimination at Workplace Wages	100%, Company does not discriminate either on sex or caste or otherwise
Wages	100%, the Company is in compliance with wages payable as per the Minimum Wages Act, 1948 and in compliance with wages being notified by the State Governments

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No such incidents were observed in the reporting year.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During the financial year under review, the Company did not receive any significant human rights grievances that necessitated changes to business processes. The Company continues to uphold human rights principles across its operations, consistent with its Human Rights Policy.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company fosters an environment where employees and directors are encouraged to report concerns related to wrongful conduct, ethical breaches or human rights issues via its Whistle-Blower Policy and Vigil Mechanism. The Audit Committee oversees the functioning of this mechanism and the employees, are facilitated with direct access to the Chairperson of the Audit Committee for raising significant concerns.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The Company ensures that its corporate office premises are accessible to differently abled employees and visitors, including facilities like elevators and/or ramps wherever feasible. However, certain branches in Tier 3 to Tier 6 cities operate from rented premises where structural modifications are not always possible. Nevertheless, the Company remains committed to progressively improving accessibility in compliance with the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment **Discrimination at workplace** **Child Labour** **Forced Labour/Involuntary Labour** **Wages** **Others - please specify**	The Company expects all its value-chain partners to comply with applicable laws and regulations regarding health, safety, and working conditions. The Environment & Social Policy includes a prohibited activities list which excludes child labor, forced labor, and other unethical practices from financing eligibility. No specific percentage assessments have been conducted yet.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions were necessitated during the year, as specific assessments of value chain partners on human rights and working conditions have not yet been conducted

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
For Renewable Sources			
Total Electricity Consumption (A)	(GJ)	NIL	NIL
Total Fuel Consumption (B)	(GJ)	NIL	NIL
Energy Consumption through other sources (C)	(GJ)	NIL	NIL
Total energy consumed from renewable sources (A+B+C)	**(GJ)**	**NIL**	**NIL**
For Non-Renewable Sources			
Total Electricity Consumption (D)	GJ	11610.92	18335.83
Total Fuel Consumption (E)	GJ	48.89	16.56
Energy Consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	11659.81	18335.83
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)(GJ per million INR)	**GJ/rupee of turnover**	**0.0000004**	**0.53**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (Total energy consumed/Revenue from operations adjusted for PPP)	**GJ/rupee of turnover adjusted for PPP**	**0.0000004**	**NA**
Energy intensity in terms of physical output	**GJ/FTE**	**0.8234912**	**NA**
Energy intensity (optional) - the relevant metric may be selected by the entity	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. -

No; The Company's business does not fall under the scope of the Designated consumers (DCs) category as per the Government of India's Performance, Achieve and Trade (PAT) Scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water (ii) Groundwater (iii) Third party water (iv) Seawater / desalinated water (v) Others	179040.56	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)	179040.56	-
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.0000055	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.0000055	-
Water intensity in terms of physical output (FTE)	12.6450000	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

**Water consumption has been estimated for office locations using CGWA norms of 45 litres per person per working day*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)	The total water discharged is ZERO		
(i) Surface water			
- No treatment			
- With treatment - Please specify level of treatment			
(ii) Groundwater			
- No treatment			
- With treatment - Please specify level of treatment			
(iii) Third party water			
- No treatment			
- With treatment - Please specify level of treatment			
(iv) Seawater / desalinated water			
- No treatment			
- With treatment - Please specify level of treatment			
(v) Others			
- No treatment			
- With treatment - Please specify level of treatment			
Total water discharged (in kilolitres)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
The Company has not implemented a Zero Liquid Discharge mechanism, as water usage is minimal and limited to domestic consumption in office facilities.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
Not applicable. the Company operates is in the financial service sector and does not engage in manufacturing or industrial processes that generate air emission.

Parameter	Please specify Unit	FY 2025-26	FY 2024-25
Nox	mg/m3	NA	NA
Sox	mg/m3	NA	NA
Particulate matter(PM)	mg/m3	NA	NA
Persistent organic pollutants(POP)	NA	NA	NA
Volatile organic compounds(VOC)	NA	NA	NA
Hazardous air pollutants(HAP)	mg/m3	NA	NA
Others - please specify	PPM	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	3.64	1.11
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	2289.93	3646.79
Total Scope 1 and Scope 2 emissions per rupee of turnover (in Rs.)	**tCO2e**	**0.0000001**	**3647.91**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	**tCO2e/rupee turnover adjusted for PPP**	**0.0000001**	**NA**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**tCO2e/FTE**	**0.1619866**	**NA**
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Currently, the company does not have specific projects aimed at reducing Green House Gas (GHG) emission, given the low environment footprint inherent to its service-based operations

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	NA	NA
E-waste **(B)**	1.65	NA
Bio-medical waste **(C)**	NA	NA
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	NA	NA
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**	NA	NA
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G+ H)	**1.65**	**NA**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	**0.0000000001**	**NA**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	**0.0000000001**	**NA**
Waste intensity in terms of physical output	**0.0001167808**	**NA**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used	1.65	NA
(iii) Other recovery operations		
Total	**1.65**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	NA
(ii) Landfilling	0	NA
(iii) Other disposal operations	0	NA
Total	**0**	**NA**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a financial services company, the Company's operations do not involve significant use of hazardous or toxic chemicals. Waste generated is minimal and primarily includes office waste and e-waste. Hazardous or e-waste is disposed of responsibly through authorised recyclers in compliance with applicable laws. Formal waste management strategy has not been adopted due to negligible volume of waste produced

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:

Not Applicable. The Company does not have operations or offices located in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, coastal zones, or biodiversity hotspots

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Given its nature of business, the Company is not required to undertake environmental impact assessments under applicable laws.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Based on the nature of business its operations, the Company complies with all applicable environmental norms. Laws and regulations, including:

- Water (Prevention and Control of Pollution) Act
- Air (Prevention and Control of Pollution) Act
- Environment Protection Act and associated rules

No Non compliances have been reported during the year

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area – Not Applicable

(ii) Nature of operations - Not Applicable

(iii) Water withdrawal, consumption and discharge:

Parameter	Unit	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres) (i) Surface water (ii) Groundwater (iii) Third party water (iv) Seawater / desalinated water (v) Others **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** **Total volume of water consumption (in kilolitres)** **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations) **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/Revenue from operations adjusted for PPP) **Water intensity in terms of physical output** Water intensity (optional) – the relevant metric may be selected by the entity	Not applicable. The Company does not have facilities located in waterstressed areas. Water usage remains minimal and restricted to personnel consumption in office premises.		
Water discharge by destination and level of treatment (in kilolitres) (i) Surface water - No treatment - With treatment - Please specify level of treatment (ii) Groundwater - No treatment - With treatment - Please specify level of treatment (iii) Third party water - No treatment - With treatment - Please specify level of treatment (iv) Seawater / desalinated water - No treatment - With treatment - Please specify level of treatment (v) Others - No treatment - With treatment - Please specify level of treatment **Total water discharged (in kilolitres)**	Not applicable. The Company does not have facilities located in waterstressed areas. Water usage remains minimal and restricted to personnel consumption in office premises.		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

There are no Scope 3 emissions from upstream and downstream value chains of the company.

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as the Company has no operations in ecologically sensitive areas, there are no significant direct or indirect impacts on biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable. Given the low resource intensity of its operations, the Company has not undertaken specific projects related to resource efficiency, emissions reduction or waste minimization beyond standard office management practice.

5. Does the entity have a business continuity and disaster management plan?

Yes. Five-Star Business Finance Limited has a comprehensive Business Continuity Policy aimed at ensuring minimal disruption to critical operations. The policy is closely linked with the IT Disaster Recovery Plan and Cyber Crisis Management Plan. These plans enables Company's staff to address the disturbance to core Business applications, systems and networks, helps prioritize efforts and ensures swift restoration of IT system and Critical Business Processes, safeguarding customer services and stakeholder interests.

This would also involve general contingency procedures outlining the overall generic steps involved in the response recovery resumption and return phases.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The company, being a financial institution, does not generate significant environmental impact through its value chain activities.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not applicable. Five Star has not conducted formal environmental assessments of its value chain partners, given the nature of its service-based business.

8. How many Green Credits have been generated or procured

a. By the Company: NIL

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: NIL

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.

One

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Companies Association(India)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Not applicable as no issues or adverse orders related to anti-competitive conduct by the Company were raised by regulatory authorities.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

The company has not advocated any public policies. Hence assessing its position is not applicable.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable. There was no social impact assessments required to be taken by the Company by applicable laws.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not applicable. No such projects where Rehabilitation and Resettlement is required are being undertaken by the Company.

3. Describe the mechanisms to receive and redress grievances of the community

The Company undertakes Corporate Social Responsibility (CSR) initiatives through reputed institutions such as the Ramakrishna Mission, Single Teachers' School (affiliated with the Ramakrishna Mission), and the M.S. Swaminathan Research Foundation. In addition, the Company supports other credible organizations working in areas such as education, sustainable livelihoods, and healthcare through targeted contributions.

The institutions are responsible for conducting community-level need assessments and identifying relevant concerns, which are subsequently communicated to the Company to enable appropriate support. Periodic summaries of CSR activities and progress are presented to the CSR Committee of the Board for review. The Company also monitors the utilization of CSR funds to ensure that expenditures are incurred for the intended purposes, within approved locations, and in a timely manner.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

Parameter	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ Small producers	**19.8%**	**NA**
Sourced directly from within the district and neighboring districts	**100%**	**NA**

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	11.44%	6.68%
Semi - Urban	25.28%	3.99%
Urban	36.72%	5.91%
Metropolitan	26.56%	1.21%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable. There were no social impact assessments required to be taken by the Company by applicable laws.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount Spent (In INR)
1	Tamil Nadu	Virudhunagar	6,066,000.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

No, The Company currently does not have a preferential procurement policy targeting marginalized or vulnerable groups.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The company does not own or hold any intellectual properties, based on traditonal knowledge. Therefore, there are no benefits derived or shared from such properties.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

No adverse orders have been received, and no corrective actions are pending in relation to intellectual property disputes involving traditional knowledge.

6. Details of beneficiaries of CSR Projects:

S.No.	NGO / Trust Name	No. of Persons Benefited from the Project	% of Beneficiaries from Vulnerable and marginalised groups	Project Name
1.	Aram Charitable Trust	30	100%	Annual Expenses towards Welfare of Homeless Girl Children
2.	Annai Trust	200	100%	Installation of Houses in Kani Kudyiruppu (Kaani Tribal Village) in the Western Ghats of Tamil Nadu
3.	All The Children	30	100%	Purchase of Air Condition Units - Specialized adoption unit Infants and special need children
4.	Team Everest	50	100%	Education Expenses to Marginalized Students
5.	Sri Arunodayam Charitable Trust	300	100%	School Bus for CHILDREN WITH INTELLECTUAL DISABILITIES and Special Needs in Rural Area
6.	Sri Sai Education Trust	200	80%	Construction of School Building
7.	Bharatiya Vidya Bhavan	100	80%	Infrastructure & Classroom Furniture Support for their Bhavans Gandi Vidyashram Unit Kodaikanal
8.	Kodaikanal Health And Medical Services	1000	100%	Running Expenses of Hospital for One Year
9.	Vidyasagar	1000	100%	School Bus for children with intellectual disabilities and Special Needs
10.	Auxilium Rural Under Privileged Women And Youth Empowerment	200	100%	School Bus for Underprivileged & SC/ST Children
11.	Multipurpose Integrated Developmental Society	2000	100%	Construction of Apex Skill Development Centre for Women with Equipments
12.	Auxilium Rural Under Privileged Women And Youth Empowerment	200	100%	Purchase of School Bus for Underprivileged Students
13.	Kadamai Education And Social Whelfare Trust	2000	100%	Construction of Skill Development Centre to Destitute Women in Athur Village, Dindivanam
14.	New Mighty Grace Charitable Trust	300	100%	Construction of Education Centre for Underprivileged Students with Transport Facility
15.	Satya Special School	1000	100%	Strengthening Livelihoods for Persons with Disabilities
16.	Amenity Lifeline Emergency Response Team	2790	80%	Empowering Community in Emergency Response, Road Safety, Defensive Driving Techniques and Vision Screening
17.	Dorcas Research Centre For Education Art And Culture	200	100%	Procurement of fully Adapted Bus for Physically Challenged women with disability
18.	Rotary Club Of Madras Charitable Trust	200	100%	Purchase of Dialysis Machines - 5 Units
19.	Team Everest	1	100%	Education Fees to Poor Student
20.	Ramakrishna Mission	2000	80%	Smartboard to their Girls Higher Sec School
21.	Thirumalai Charity Trust	2000	100%	Construction of Hospital

S.No.	NGO / Trust Name	No. of Persons Benefited from the Project	% of Beneficiaries from Vulnerable and marginalised groups	Project Name
22.	Annai Trust	200	100%	Construction of Houses to Kani Tribal Peoples - 50 Nos
23.	Sri Matha Trust	300	100%	Food & Medical Expenses to Cancer Patients and their Caretakers - 3 months
24.	Nithilyam Spastic Children Welfare Trust	300	100%	Purchase of School Bus for Special Children
25.	Akshaya Patra Foundation	5000	100%	Purchase of Food Distribution Vehicle (5 Nos)
26.	Multipurpose Integrated Developmental Society	240	100%	Empowering Rural Woman in Apparel Training with placements (Trainer Cost, Hall Cost, Uniform cost, Kits Cost & Machine Cost)
27.	Maithree	487	100%	Education and Skilling of Persons with Intellectual and Developmental Disability
28.	Thalassemia Welfare Association	300	100%	Purchase of Medicines to Thalassemia Patients
29.	Danirasa Foundation	200	100%	Purchase of Equipments for Skill Development for Destitute Women's
30.	Rural Organisation for Poverty Eradication Services	200	100%	Empowering Women and Marginalized Communities
31.	Schieffelin Institute of Health Research and Leprosy Centre	200	100%	Purchase of Humphrey Visual Field - Analyzer (HFA)
32.	Kalpavriksham	5000	80%	Purchase of Bus for Project Femicare+ to solve Cancer Crisis in Tamil Nadu
33.	Team Everest	100	100%	Scholarship for 100 Students for 3 Years
34.	Akshaya Trust	1200	100%	Construction of 8 Classrooms at their Kancheepuram School
35.	Hope Public Charitable Trust	1000	100%	Purchase of School Equipments for Special Children and Underprivileged
36.	Sri Arunodayam Charitable Trust	125	100%	Support for Young Adult Special Children with Safe and Accessible Living Quarters
37.	Paalam Charitable Trust	200	100%	Community Centre with 4 Toilets to Irular Community
38.	Sai Educare Trust	200	100%	Construction of School
39.	The United Educational And Social Welfare Trust	110	100%	Food expenses for 110 Orphans for 3 months
40.	Orion Educational Society	200	100%	Skilling in General Duty Assistance (GDA)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Five Star has a structured Grievance Redressal Mechanism. in line with applicable RBI Master Directions as detailed hereunder: -

- Customer complaints can be lodged through calls, emails or written communication at branches.
- Responses are provided within 10 working days of receipt.
- A defined escalation matrix is in place:
- First Level : Grievance Redressal Officer
- Second Level: Principal Nodal Officer
- The Customer Service Committee of the Board periodically reviews the efficacy of the grievance redressal mechanism.
- If customers remain unsatisfied, they can directly approach the Reserve Bank of India for redressal.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	956	151	A total of 956 complaints were recorded, of which 151 are currently pending and in the process of being resolved	250	-	-

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes - Cyber-Security-Guidelines.pdf and Privacy Policy - Five Star

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable since no such incidents were reported.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

c. Impact, if any, of the data breaches - NA

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on various products and services of the Company is available on:

- Branch office/Registered office
- SERVICES - Five Star (fivestargroup.in)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

At Five Star, the consumers are educated on digital banking and paperless transaction through the front-end employees at our branches. The consumers are also encouraged to visit the Company's website through which digital transaction/banking services may be availed. A welcome kit is being sent to customers as part of the customer onboarding process to familiarize them with various aspects of products or services offered by the Company.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The firm notifies its clients through SMS on their registered mobile number in the event of any disruption or termination of vital services. Details about the impact of the disruption or discontinuation are also posted at the branches. The Company will proactively engage with its customers and ensure that they do not suffer on account of disruption of services. If the disruption is due to technological failure, then the Company shall resort to manual means to fulfill the needs of the customers. If the tech disruption is expected to be long lasting, COB plan would be triggered to ensure that the customers are not put to significant difficulties.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable - there is no product information mandated by law. Given the nature of the business, there is limited applicability of this indicator.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company has robust grievance redressal mechanism where grievance in form of query/compliant are monitored regularly and the grievance information are leveraged in order to improve the servicing of products.

Independent Reasonable Assurance Statement

Independent Assurance Statement to Five Star Business Finance Ltd on its BRSR Core Indicators for FY 2025-26

The Board of Directors,
Five Star Business Finance Ltd,
Chennai,
Tamil Nadu - 600 010.

Nature of Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Five Star Business Finance Ltd (the 'Company') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Core Report') for the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for the BRSR core indicators. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared following

1. BRSR Core and Non-Core Framework for Assurance and ESG Disclosures for Value Chain (Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated 30 January 2026 circular.
2. Greenhouse Gas Protocol Standard.
3. ISO 14064-1:2018 Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Five Star Business Finance Ltd internal and external Stakeholders.

Responsibilities

The information in the report and its presentation is the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.
Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance for BRSR core parameters under 9 ESG Attributes, including all essential indicators as specified under BRSR standards and amendments made as on date. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information).

Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard, but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing, and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; and environmental, social, and sustainability report assurance. SGS India affirms our independence from Five Star Business Finance Ltd, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification, and GHG Validation Lead Auditors, and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include the corporate office and all branches spread across different states in India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core and essential indicators, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Disclosures pertaining to the fugitive emissions, number of days of accounts payable and all other waste sub-categories other than e-waste have not been included in the assurance scope since these parameters are not being tracked currently.
- Validation of any data and information other than those presented in "Findings and Conclusions."
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report (as per the table below) is complete, accurate, reliable, fairly stated in all material respects, and is prepared in line with the BRSR requirements. The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

S. No.	BRSR Core Attribute	BRSR Core Indicator
1	Greenhouse gas (GHG) footprint	Total scope 1 emissions Total scope 2 emissions GHG emission intensity (scope 1 +2)
2	Water footprint	Total water consumption Water consumption intensity Water discharge by destination and levels of treatment
3	Energy footprint	Total energy consumed % of energy consumed from renewable sources Energy intensity
4	Embracing circularity	E-waste Total waste generated Waste intensity Each category of waste generated, total waste recovered through recycling, reusing or other recovery operations For each category of waste generated, the total waste disposed of by the nature of the disposal method
5	Employee well-being and safety	Spending on measures towards well-being of employees as a % of total revenue of the Company Details of safety-related incidents for employees.
6	Enabling gender diversity in business	Gross wages paid to females as % of wages paid. Complaints on POSH

S. No.	BRSR Core Attribute	BRSR Core Indicator
7	Enabling inclusive development	Input material sourced from MSMES/ small producers as % of total purchases: Directly sourced from MSMEs/ small producers and from within India Job creation in smaller towns: Wages paid to people employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	Instances involving loss/breach of data of customers as a percentage of total data breaches or cybersecurity events.
9	Openness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties

For and on behalf of SGS India Private Limited

Kalpesh Thombare
Techincal Reviewer
National Manager - ESG & Sustainability Services, SGS
India
Date: 27th April, 2026

Anisha Udaykumar
Lead Verifier - ESG & Sustainability Services, SGS

India
Date: 27th April, 2026

ESG @ Five Star

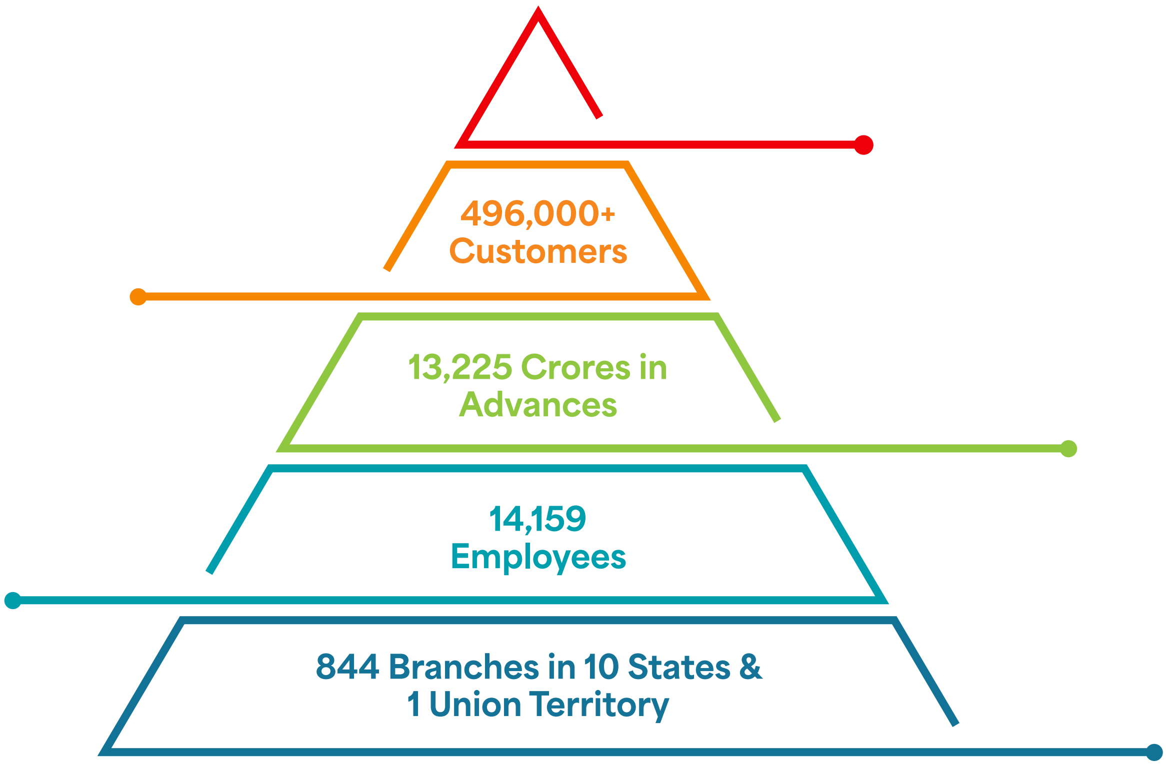
Fostering Financial Inclusion

About Five Star

Five-Star Business Finance Limited is registered with the Reserve Bank of India as a Systemically Important Non-Deposit Taking Non-Banking Financial Company (SI-ND-NBFC). Established in 1984, the Company has spent nearly four decades supporting micro-entrepreneurs and self-employed individuals by providing loans for business expansion, asset creation, and other financing needs. Through these efforts, Five Star has positively impacted lakhs of customers and emerged as a leader in the industry.

Over the years, the Company has focused on addressing the credit gap by extending financial services to unbanked and underbanked segments of society. This initiative has played a significant role in reducing the socio-economic disparity between urban and semi-urban or rural regions–largely comprising underprivileged communities–and in improving overall living standards.

With deep industry expertise and a strong understanding of the financial ecosystem, Five Star continues to pursue sustainable growth while remaining committed to its core vision.



Presence and Reach

The Company has a strong operational footprint across Tamil Nadu–where its corporate headquarters is located in Chennai–along with a significant presence in Andhra Pradesh, Telangana, Karnataka, and Madhya Pradesh. In addition, it has begun establishing an early presence in states such as Maharashtra, Uttar Pradesh, Chhattisgarh, Rajasthan, and Gujarat.

A substantial portion of the Company's branch network is concentrated in Tier 3, Tier 4, Tier 5, and Tier 6 cities and towns. These semi-urban and rural regions, characterized by rapidly growing populations, often have limited access to formal financial services.

The organization is supported by a robust workforce of over 14159 employees who play a key role in sustaining its strong growth trajectory. Approximately 5906 of these employees serve as field agents, enabling the Company to effectively reach existing and potential customers across every geography in which it operates.

Vision

To extend access to financial services by reaching underserved and unbanked segments through tailored credit solutions.

Mission

To deliver customized credit solutions to previously unreached segments of the market by developing a specialized underwriting framework that assesses both the borrower's intent and capacity to repay, with the ultimate goals of enhancing customer satisfaction and maximizing value for all stakeholders.

What does 'ESG' mean to us?

There is a growing recognition that businesses do not operate in isolation. The social and environmental value created by organizations is increasingly acknowledged as critical to long-term success, reflecting a paradigm shift away from traditional metrics that defined success solely in financial terms. Corporations across the globe now recognize their responsibility in promoting social equity and enabling the development of communities in which they operate. It is widely understood that sustainable business growth is closely linked to the growth and well-being of these communities.

From an environmental perspective, both individuals and businesses are exposed–albeit to varying degrees–to the risks arising from climate change and its far-reaching consequences.

Financial institutions occupy a unique position in contributing to sustainable development by empowering individuals and enterprises to achieve their growth aspirations. This role is particularly significant in our case, as a substantial portion of our customers may not have traditionally had access to structured financial services.

We acknowledge the importance of identifying and addressing ESG-related risks and opportunities to ensure continued business success. With this in mind, we conducted extensive stakeholder engagements to identify and assess material ESG issues.

Stakeholder Engagement & Materiality Assessment

Five Star accords paramount importance to setting high standards in corporate governance and creating social value. We recognize that there are a host of stakeholders with whom the organization interacts on a day-to-day basis, who are impacted by the organization and its operations.

The table below summarizes our key stakeholders and existing channels of engagement and topics of interest.

Stakeholder group	How we engage with them	Frequency of engagement	Key Discussions
Shareholders/ Investors	Quarterly Investor Calls, Presentations and meetings Annual General Meetings Press Releases Dedicated investor grievance redressal channels	Annual Quarterly On an as-needed basis (for grievances)	• Resilient business model and long-term profitability reputation • Transparency in corporate governance and disclosures • Financial performance • Risk Management • Business ethics and compliance
Employees	Employee Communication & Employee Management Webinars, learning and development programmes with feedback Employee web portal Policies and guidelines	Continuous Periodic (newsletters and other communications for the management)	• Business goals, continuity & strategy • Human rights, treating people with respect and dignity • Ethics and compliance to codes policies • Learning and development • Professional growth
Customers	Transparent documentation of the terms of business Publication of customer-relevant information on our website Customer grievance portal	Continuous Need-based	• Customer focus • Financial inclusion • Transparency in operations • Resolution of customer grievances a timely manner
Local Community/ NGO	CSR programmes and initiatives Needs assessment by implemenation partners	Continuous Need-based	• Community development • Local Employment
Regulatory bodies	Structured engagement through meetings Contribution by Management and Directors on matter on policy Regulatory filings	Continuous Need-based	• Compliance with applicable rules and regulations • Corporate Governance & ethics • Contribution to sustainable development

Materiality Assessment

It is essential to identify ESG issues that are of varying priority to different stakeholder groups and have the potential to influence the organization's pursuit of excellence.

During the reporting year, the Company conducted a comprehensive materiality assessment to deepen stakeholder engagement and better understand stakeholder perspectives on a wide range of ESG topics relevant to Five Star. The assessment also incorporated a review of industry trends, regulatory expectations, and peer performance to identify issues most material to the Company.

Our approach to the materiality assessment process, along with the key material ESG issues identified, is outlined below.

Universe of Material Issues	Stakeholder Analysis	Stakeholder Engagement	Business Mapping	Materiality Matrix
Collation of global, sectoral and core business priorities	Stakeholder Identification and prioritisation	Interviews, and meetings - inputs from all stakeholder groups on issues of priority	Mapping business objectives and risks to material issues	Comprehensive analysis to arrive at Materiality Matrix

Rationale for identifying if the issue is the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Material Issue Identified: 1. Financial Inclusion **Is it a Risk / Opportunity: Opportunity**		
Five Star sees an opportunity to contribute to India's growth story by meeting the financial services needs of underserved segments. Access to structured finance could be a game-changer for MSMEs, entrepreneurs and small businesses which employ millions of people.	N.A	**Positive:** Making financial services accessible offers strong growth prospects for the Company while also contributing to the national aspirations of achieving financial inclusion.
Material Issue Identified: 2. Corporate Governance **Indicate Whether Risk / Opportunity: Risk**		
Financial services is an industry that is highly regulated and compliance driven. Multiple risks may arise from ongoing/ quick changes in the markets and the regulatory environment for the sector.	Five Star stands for good corporate governance and ethical business practises and has created strong governance frameworks and polices. Please refer the Corporate Governance Report for details of how our Corporate Governance structures work effectively to safeguard the organization from compliance and other risks.	**Negative:** Non-compliance / any negative sentiments about our Corporate Governance may adversely affect our ability to raise fresh capital and threaten business continuity. In our case, the corollary has been observed to be true, i.e., recognition for strong corporate governance has been facilitating fresh investments in Five Star from financing partners from world-wide
Material Issue Identified: 3. Employee Wellbeing **Indicate Whether Risk / Opportunity: Opportunity**		
We view employees as the Company's most valued asset and accord top priority to ensuring their wellbeing.	N.A	**Positive:** Our motivated workforce has been one of the cornerstones for our continued success. Our on-field employees are the principal touch-points for our customers; business prospects and the reputation of our brand are significantly influenced by how our employees engage with the customers. For this reason, employees receive appropriate trainings and are also rewarded by schemes such as 'Lakshathipathi'. Please refer the ensuing Social section for details.
Material Issue Identified: 4. Stakeholder Engagement **Indicate Whether Risk / Opportunity: Risk**		
In its functioning, Five Star engages with a host of stakeholders, each with different sets of priorities, governed by different sets of rules/ conventions for engagement.	The Company has put in place strong governance systems for engagement with stakeholders. Customer and investor grievances are accorded high priority and are regularly reviewed by Senior Management and the Board. An open work culture ensures that employees can voice concerns freely without fear of reprisal.	**Negative:** Weakness in stakeholder engagement & management might have a detrimental effect on the Company's brand, market standing, and clientele. Each stakeholder group is to be handled with due care, responding to their reasonable expectations and maintaining legal compliance.
Material Issue Identified: 5. Digitization **Indicate Whether Risk / Opportunity: Opportunity**		
Digitization of business operations can contribute to improving service delivery quality and efficiency for last-mile solutions, including customer service and experience. Use of technology and linked data systems has the potential to facilitate smooth client base growth.	N.A	**Positive:** Digitization has been paving the way for efficient, convenient and secure business with customers.

Rationale for identifying if the issue is the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Material Issue Identified: 6. Risk Management **Indicate Whether Risk / Opportunity: Opportunity**		
To achieve our business objectives and provide long-term value for all our stakeholders, Five Star has recognised effective risk management as a key enabler. The Company has identified key risk categories and suitable safeguards. It is also in the process of identifying and integrating key ESG risks into the overall risk management framework.	A Risk Management Committee (RMC), is responsible for all important and practical facets of risk management The current risk management framework is intended to make it easier to detect, handle, and mitigate emerging risks quickly and effectively. This framework's primary goals and guiding principles include promoting strategic and data-driven decision-making, facilitating supervision, and monitoring, and guaranteeing effective checks and balances. Please refer the Risk Management section of the Annual Report for further details.	**Positive:** Framework for risk management and effective risk supervision provided by the Risk Committee has helped the Company tide through challenges included the COVID-19 pandemic, with efficiency. Effective risk management helped the business resume on its growth path in quick time.

Governance

At Five Star Business Finance, we firmly believe that robust corporate governance is fundamental to creating sustainable, long-term value for all stakeholders. The Company's operations are overseen by an effective Board comprising seasoned industry leaders with decades of collective experience.

Accountability, transparency, fairness, and ethical conduct form the cornerstone of our governance framework. Guided by these principles, we have established a strong and effective governance structure designed to protect the long-term interests of all stakeholders, including minority and individual shareholders.

This commitment is further reinforced by the leadership of Independent Directors across several key Board Committees, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, IT Strategy Committee, and Stakeholder Relationship Committee

Board Level Committees

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Business and Resource Committee
- Asset Liability Committee
- Risk Management Committee
- IT Strategy Committee
- Stakeholders Relationship Committee
- Customer Service Committee
- Review Committee for Wilful Defaulter

The Company has established a comprehensive framework of policies and guidelines that govern its operations and decision-making processes. These policies provide clear direction and are supported by robust risk management mechanisms to ensure effective oversight and regulatory compliance.

In alignment with the outcomes of the materiality assessment and acknowledgement the growing significance of ESG considerations in our business, the Company has formulated an ESG Policy, which has been reviewed and approved by the Board of Directors. Business-Responsibility-and-Sustainability-Reporting-Policy.pdf

The following sections outline some of our key governance priorities, including certain focus areas that may not have emerged as "material" issues through the assessment process have been identified by Management as strategically significant.

Risk Management

At Five Star, we recognize a wide range of risks–including strategic, regulatory, and operational risks–that could potentially impact our financial position, human capital, physical and information assets, intellectual property, as well as our reputation. Like any enterprise, our business is exposed to both Internal and external risks, which are systematically identified and assessed through a structured risk identification framework.

Given our focus on serving the 'unlent' segment, we have accorded this area the highest priority and developed a well-defined strategy to assess and mitigate the risks associated with this business model. The primary risks identified by the Company are outlined below, along with the corresponding policies, controls, and procedures that have been established to ensure effective monitoring and mitigation.

Our business strategy prioritizes engagement with consumers located predominantly beyond major urban centers who are willing to access reliable and established lending channels to meet their business or personal financing needs.

Independent risk assessment, monitoring, and control activities are supported by Five Star's robust and independent risk governance framework.

The Company's Risk Management Policy has been published on its website and is accessible through the following link: Risk-Management.pdf

Business Ethics & Transparency

At Five Star, all matters related to ethics and transparency are escalated to the Audit Committee, which oversees such cases until satisfactory resolution. These matters are thoroughly documented and formally recorded in the minutes of Audit Committee meetings.

The Company has a well-established compliance framework supported by a dedicated and experienced team that ensures adherence to internal policies and alignment with the Code of Conduct across all business practices. Stakeholders are encouraged to report any instances of unethical behaviour, misconduct, or grievances through established reporting channels.

In addition, Five Star proactively operates an ethics helpline that enables employees to confidentially raise concerns or report instances of non-compliance. Employees are required to promptly report to the management ethics helpline any actual or suspected violations of the Code of Conduct, including misconduct, misdemeanours, or actions that may be contrary to the best interests of the Company.

Digitization

At Five Star, we are actively working toward digitizing all aspects of our operations to enhance ease of doing business. Our customer-facing employees play a key role in educating customers about the availability and benefits of digital repayment options, thereby minimizing reliance on physical cash transactions. We are encouraged by the increased adoption of online payment methods observed during the previous financial year.

Data Privacy & Security

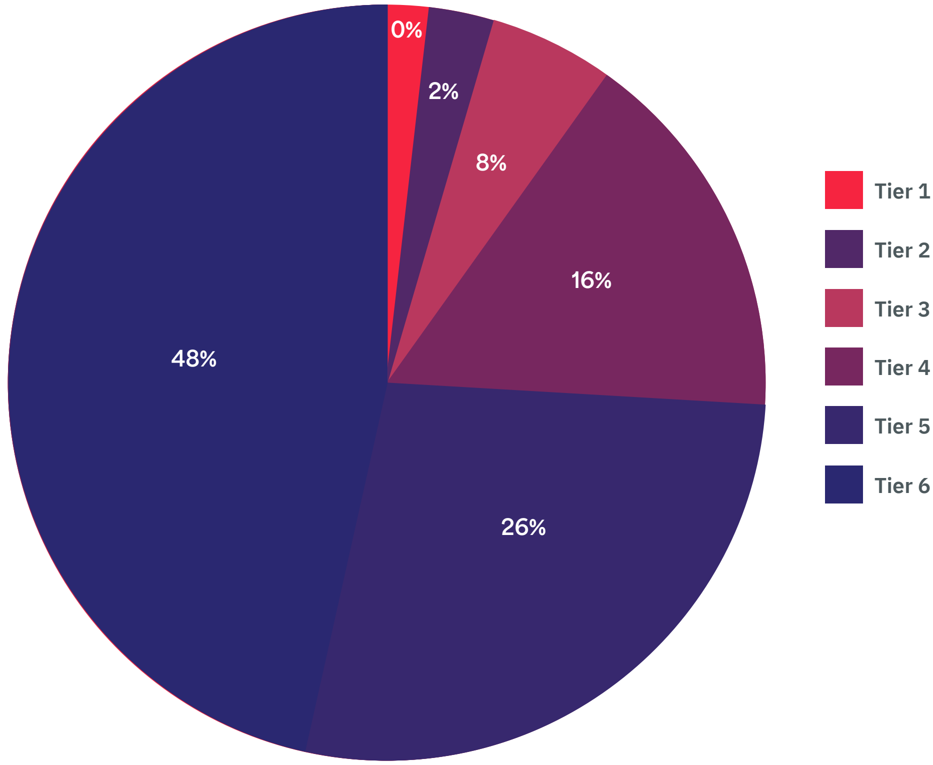
At Five Star, we have made notable progress in strengthening data protection and cybersecurity measures in recent years. To mitigate risks arising from the increasing complexity of the digital ecosystem, we have adopted advanced technology solutions, including the use of the Amazon cloud platform, periodic information technology audits, and regular vulnerability assessments and penetration testing conducted by an independent third-party agency. Additionally, we are progressively transitioning to SaaS-based solutions and trusted hosting partners such as Salesforce and Oracle to further reduce technology-related risks. As highlighted earlier, an independent IT audit was conducted during the previous financial year.

Social

Financial Inclusion

Our guiding philosophy of "Reaching the Unreached," also expressed as "Lending to the Unlent," reflects our commitment to advancing financial inclusion. By extending credit to unbanked and underbanked segments of society, we enable broader access to formal financial services and promote economic empowerment. Our loan offerings range from INR 1 lakh to INR 10 lakhs, with an average ticket size of approximately INR 3-5 lakhs, supporting both business and personal financial needs of our customers.

A majority of Five Star's customers avail loans primarily for business-related purposes. These borrowers are typically first-time entrants into the secured lending segment within the formal financial system and are often overlooked by larger banks and financial institutions. While nearly 25% of our customers are completely new to credit, for over 75% we are the first formal lender to provide loans of this scale–often representing their first experience with secured borrowing from a structured financial institution.
To effectively serve this customer base, a substantial portion of our branch network is located in Tier 3 to Tier 6 and smaller cities and towns.

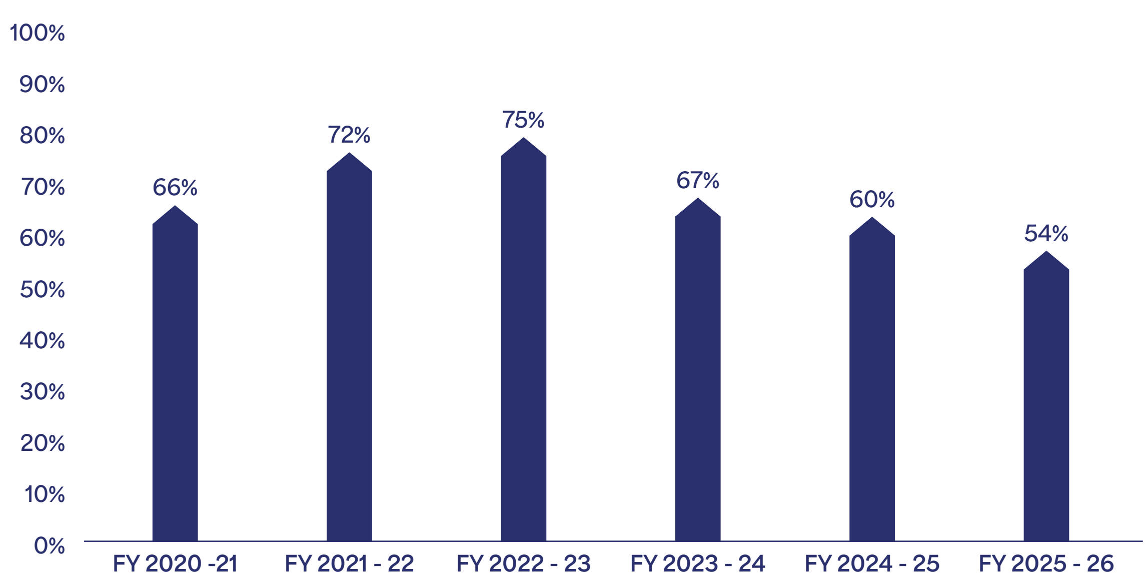


Branch Presence across India

Our sustained focus on serving this customer segment has led to a consistent growth in Assets Under Management (AUM) from the low income group, reinforcing the strength of our core business strategy while also generating meaningful social impact.

Given India's favourable demographic profile, the credit market presents significant growth potential, particularly in addressing the financing needs of micro entrepreneurs and self employed individuals.

In line with our commitment to financial inclusion and empowerment, the Company actively promotes greater participation of women in business ownership and key financial decisions by encouraging them to come forward as primary borrowers in family owned enterprises.



Asset Under Management from Lower Income Group

Providing individuals from economically disadvantaged backgrounds access to formal credit and financial services helps protect them from exploitation, enables them to break free from the cycle of poverty, and promotes inclusive growth and social stability.

The insights and expertise gained through our journey, coupled with the strong brand recognition we have established within this segment, position the Company well for its next phase of growth and the continued development of a resilient and diversified portfolio.

Customer Relationship Management

Five Star's success is built on the trust and loyalty of its customers, as well as a strong commitment to addressing their needs. The Company has consistently worked toward this goal through initiatives such as financial literacy programs, innovative product development, and continuous training and skill enhancement of its workforce.

Robust customer grievance redressal mechanisms have been put in place to ensure timely and effective resolution of concerns. As a standard practice, customer complaints are acknowledged and addressed within 10 days of receipt. If a customer is dissatisfied with the resolution, the matter can be escalated to the Grievance Redressal Officer, who is required to provide a response within a further 10 working days.

Grievance Redressal Mechanism

- Number: 044 - 2346 0957 / 044 - 2346 0958 / 78258 55555
- Email: customercare@fivestargroup.in
- Customers can get in touch with the branch and voice their compliants to the personnel. The compliant must be entered in the Branch's Compliant Register.
- Customers can file written compliants with branch manager of the branch where they obtained the loan by submitting a letter

Any grievances that remain unresolved at this level may subsequently be escalated to the Company's Principal Nodal Officer.

In rare instances where grievances remain unresolved at the Company level, customers may approach the Reserve Bank of India, which regulates and supervises the operations of non-banking financial institutions.

However, vast majority of complaints are addressed and resolved internally, reflecting the effectiveness and robustness of our grievance redressal framework. Only a small proportion of cases are escalated to the regulator, and these typically arise from misunderstandings on the part of customers. In such instances, the Company has consistently provided satisfactory clarifications to the regulator, resulting in closure of the complaints.

The Company has also appointed an Internal Ombudsman–an independent authority–to review the merits of customer complaints and the resolutions provided. To date, there have been no instances where the Internal Ombudsman has disagreed with the Company's position on complaints received either directly by the Ombudsman or through regulatory channels.

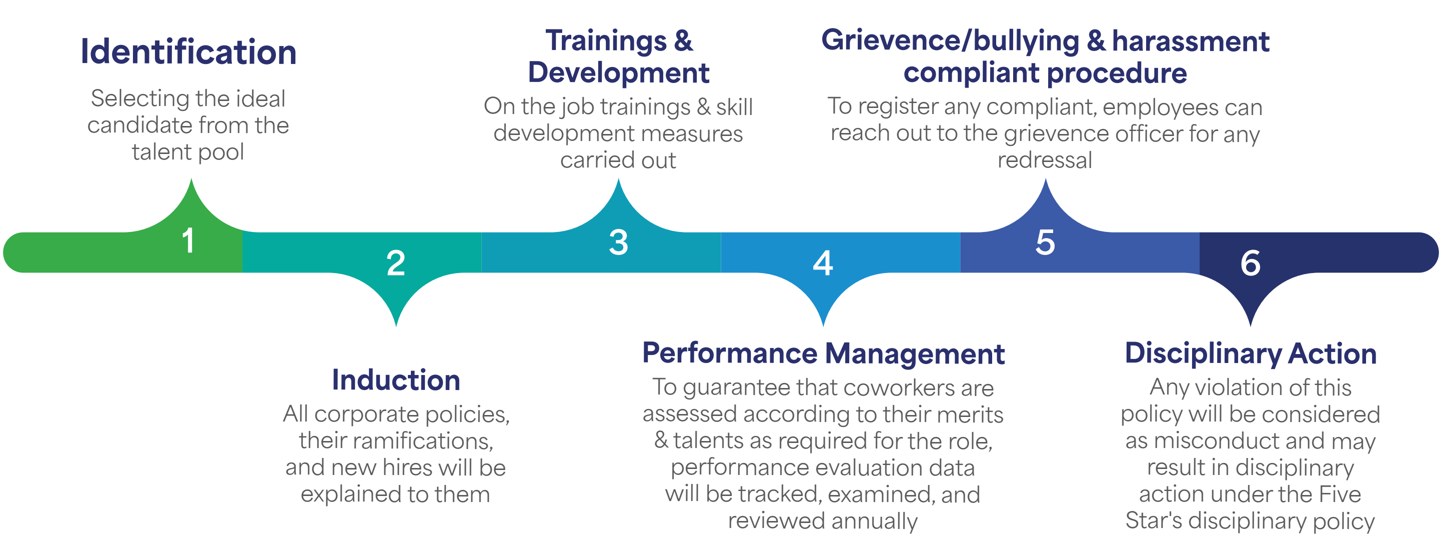
Talent Management and Retention

The Company's consistent delivery of best in class service is closely linked to the strength and performance of its workforce. Employees are Five Star's most valuable asset and have played a pivotal role in the Company's success since its inception.

We are committed to building a high quality talent pool by selecting the most suitable candidates from the market across all levels. The recruitment process is led by a highly experienced Human Resources team that ensures agile, effective identification and onboarding of talent.

Five Star is an equal opportunity employer and recruits for both permanent and contractual roles. All employees are on the Company's rolls, as we do not engage off roll staff, in keeping with our commitment to employee welfare and long term career development. For mid level and senior positions, internal talent is given primary consideration, with external hiring undertaken only when suitable internal candidates are not available.

During the last financial year, 1,010 employees were promoted internally to managerial roles, underscoring our strong focus on career progression and internal talent development.



Currently, the company employs 14159 individuals, including both permanent and non permanent staff, across its branch network, regional offices, and head office, performing a wide range of roles. The Company remains committed to operating responsibly and demonstrates strong accountability toward ensuring the safety, security, and overall, well being of its employees.

Employee Benefits

All our employees receive competitive salaries and other benefits in-line with industry best practices.

Our employees at all levels are protected by various health and life insurance policies for a secure future. The ESIC programme, which is supported by the government, covers over 50% of the workforce. All permanent employees of Five Star, regardless of their position, are protected by a family floater health insurance plan with a coverage of up to INR 5 lakhs in addition to the ESIC scheme.

In the event of a medical emergency or casualty, employees working as collection agents are entitled to receiving the basic pay component of their salary for the duration of the treatment period under a group personal accident policy.

1. ESIC Scheme

2. Health Insurance

All the employees are covered under Health Insurance at a base flaoter of INR 5 Lakhs irrespective of designation and hierarchy

3. Accidental Insurance

All the field agents on the field are covered under group accident policy

4. Maternity Benefits

The female employees are covered under Maternity benefits. The Company witnessed 69% women returning to work in FY 2025 - 26, following their maternity benefits

Employees are eligible to receive a gift voucher for INR 10,000 on the occasion of their marriage.

To retain top talent, the Company has also initiated certain incentive schemes as a means to appreciating employees' relentless contribution to the organization's success.

Lakshathipathi Scheme

The senior employees are given Rs. 1 lakh on successful completion of 3 years at Five Star.

The scheme was introduced in 2018 - 154 employees to date, with incentive payouts ranging from INR 1 lakh to 5 lakhs, depending on tenure and eligibility

Employee Stock Option Schemes

The Company has introduced two Employee Stock Option Schemes to promote long-term employee ownership and retention:

- Five-Star Associate Stock Option Scheme 2015 (ASOP 2015)
- Five-Star Associate Stock Option Scheme 2018 (ASOP 2018)
- Five-Star Associate Stock Option Scheme 2018 (ASOP 2023)

Under these schemes, stock options have been granted to a total of 320 employees, reinforcing their participation in the Company's growth and value creation.

Diversity, Equity, and Inclusion

Five Star has put in pace a Diversity, Inclusion and Equal Opportunities Policy. The goal of this policy is to create a diverse, engaged, and equitably treated workforce. We support the diversity of our workforce and advance equality by making sure that no one is treated less favourably than another in any matter pertaining to employment based on ethnic origin, nationality, disability, age, gender, religion, marital status, family responsibilities, sexual orientation, social class, or other distinction unrelated to the requirements of the job. We reject all types of unjust and illegal discrimination.

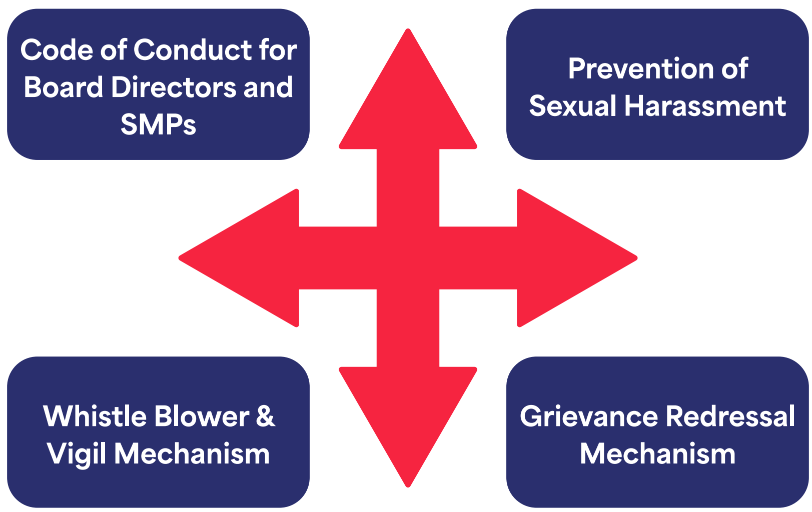
Diversity, Inclusion and Equity policy is available in the following weblink: Diversity-Inclusion-and-Equal-Opportunity-Policy.pdf

While women constitute a meaningful share of employees at the corporate office, their overall representation across the organization remains relatively lower, primarily due to the predominance of field officer roles within the workforce. These roles are largely travel-intensive and may involve responsibilities such as cash collection, extended working hours, and operating across varied geographies. Although the Company remains open and committed to hiring women for field positions, the nature of these operational requirements has posed challenges in attracting higher female participation. Recognizing this, Five Star continues to explore ways to enhance women's representation across functions, wherever feasible, while addressing the practical constraints associated with certain roles.

Human Rights

Since its inception, Five Star has grown and succeeded on the foundation of a culture rooted in respect, empathy, and dignity. The Company ensures that all interactions with stakeholders, including employees and customers, are guided by and aligned with fundamental human rights principles and practices.

Five Star follows a zero tolerance policy toward any form of discrimination or harassment in the workplace, including sexual harassment. To reinforce this commitment, employees are provided with appropriate training and awareness programs on key human rights-related issues, fostering a safe, inclusive, and respectful work environment.



No cases of sexual harassment or any other forms of human rights violations have been reported in the current year.

Community Engagement

Corporate Social Responsibility (CSR) is a core element of Five Star's business philosophy and reflects our commitment to being a responsible corporate citizen. Our CSR strategy is designed to deliver tangible and measurable improvements in the lives of communities impacted by our operations.

Five Star's social initiatives are structured around four priority pillars–Education, Skill Development, Health and Hygiene, and Community Conservation–ensuring focused interventions aligned with national priorities and community needs.

The CSR Committee of the Board oversees the planning, implementation, and monitoring of all CSR initiatives and meets at least once every half year to review progress, assess impact, and provide strategic direction. The Board of Directors receives a detailed quarterly report on the execution status of CSR programmes, ensuring transparency, governance, and accountability. All initiatives undertaken during the year are aligned with Schedule VII of the Companies Act, 2013, covering livelihood enhancement, education, and healthcare.

Education: Improving Access, Inclusion, and Learning Outcomes

Education continues to be a key focus area for Five Star, with interventions designed to improve access, inclusion, infrastructure, and continuity of learning for children from marginalized, underprivileged, and special needs backgrounds.

During the year, Five Star supported the education of 150 students from marginalized communities through scholarship programmes of Team Everest, an NGO, enabling continued access to formal education. In addition, the Company sustained its long term commitment by continuing education fee sponsorship for 100 college students in Tamil Nadu for the third consecutive year through Team Everest.

Recognising infrastructure as a critical enabler of quality education, Five Star funded the construction of multiple school buildings and classrooms to improve learning environments for underprivileged students. This included the construction of a well equipped school building through Sri Sai Education Trust, financial support to Akshaya Trust Chennai for the construction of eight classrooms at Akshaya Vidyalaya School in Kancheepuram district, and funding for a safe and functional school building through Sai Educare Trust. The Company also supported the construction of an education centre with transport facilities for orphaned and underprivileged students through New Mighty Grace Charitable Trust in Bengaluru, ensuring consistent access to education for vulnerable children.

To enhance the classroom experience, Five Star provided infrastructure and classroom furniture support to Bharatiya Vidya Bhavan's Gandhi Vidyashram unit at Kodaikanal and sponsored a smart board for Sri RKM Sarada Vidyalaya Girls Higher Secondary School through Ramakrishna Mission. Educational inclusion was further strengthened through the purchase of school equipment for special children and underprivileged communities pursuing the NIOS syllabus through Hope Public Charitable Trust at Annamedu, Thiruvallur district.

Ensuring safe and reliable access to schools remained a priority, particularly for children with intellectual and developmental disabilities. Five Star sponsored school buses for children with intellectual disabilities and special needs through Sri Arunodayam Charitable Trust at Thiruvallur, Vidyasagar Trust, and Nithilyam Spastic Children Welfare Trust at Coimbatore. Additional school bus support was extended to Auxilium Rural Underprivileged Women and Youth Empowerment at North Arcot to improve inclusive access for underprivileged students.

Addressing the link between education and nutrition, Five Star supported the Akshaya Patra Foundation by funding five food distribution vehicles under the "Healthy Meals on Wheels" initiative for government and Balwadi school students in Warangal district, Telangana, helping ensure that no child's education is compromised by hunger. The Company also sponsored education and skilling programmes for Persons with Intellectual and Developmental Disabilities through Maithree Foundation, bridging resource gaps through personalised education, vocational training, and sustained support.

Beyond formal education, Five Star supported community empowerment initiatives such as emergency response training, road safety, defensive driving techniques, and vision screening through Alert NGO, addressing gaps that contribute to preventable accidents, delayed medical response, and reduced quality of life.

Health and Hygiene: Expanding Healthcare Access and Preventive Care

Five Star's healthcare initiatives aim to improve equitable access to quality medical services, with a focus on affordability, preventive care, and early diagnosis for underserved populations. During the year, the Company supported the running expenses of Kodaikanal Health and Medical Services Hospital, which provides primary and secondary healthcare services to underprivileged communities in and around Kodaikanal, ensuring continuity of accessible and affordable care.

To strengthen critical care infrastructure, Five Star sponsored five dialysis machines for the Government Hospital in Mannargudi through the Rotary Club of Madras Charitable Trust, improving access to timely dialysis treatment for patients suffering from chronic kidney disease and renal failure. The Company also extended financial support to Thirumalai Charitable Trust for the construction of a hospital in the Ranipet region, focusing on primary, secondary, and preventive healthcare services for underprivileged communities.

Targeted medical assistance was provided to vulnerable patient groups through financial support for essential food and medical expenses for cancer patients and their caretakers for three months via Sri Matha Trust, Chennai. In addition, Five Star funded the provision of free medicines to thalassemia patients for a period of one year through the Thalassemia Welfare Association, significantly reducing treatment-related financial burdens.

Preventive and diagnostic healthcare remained a priority area, with the purchase of a Humphrey Visual Field Analyzer for the Schieffelin Institute of Health Research and Leprosy Centre, Vellore, enabling improved early detection, diagnosis, and treatment of eye diseases. The Company also supported the purchase of a bus for Project Femicare, including a mobile mammogram unit, through Kalpavriksham, Chennai. This initiative focuses on cancer awareness across rural and urban communities and facilitates mobile breast cancer screening, on site biopsy of breast masses, Pap smear tests for cervical cancer screening, and other cancer related diagnostic procedures.

Five Star also contributed to broader community well being by supporting the construction of a functional community centre with sanitation facilities for the Irular community at Kaayar, Chengalpattu district, through Paalam Charitable Trust, enhancing social, educational, and health outcomes.

Livelihoods, Skill Development, and Social Protection

Five Star's livelihood and skill development initiatives are aimed at enabling sustainable income generation, economic independence, and social empowerment for women, persons with disabilities, tribal communities, and other vulnerable groups. The Company supported the annual welfare expenses of Aram Charitable Trust, ensuring year round safety, education, healthcare, and overall development for homeless girl children.

To improve living conditions and community stability, Five Star funded the construction of houses for 50 Kani tribal families in Kani Kudyiruppu in the Western Ghats near Ambasamudram, providing safe, secure, and dignified housing. The Company also provided air conditioning units for the specialised adoption unit at All the Children Trust Home, ensuring a safe and temperature controlled environment for infants and children with special needs.

Women centric economic empowerment remained a key focus through financial support for the construction and equipping of state of the art skill development centres. These initiatives were implemented through the Multipurpose Integrated Developmental Society (MINDS) at Kamarajapuram, Chennai, and the Kadamai Education and Social Welfare Trust at Tholupedu, Dindivanam, facilitating practical training, entrepreneurship, and employability. Five Star further supported the empowerment of 240 rural women in Virudhunagar, an aspirational district of Tamil Nadu, through apparel skill training and job placements through MINDS.

Additional livelihood interventions included financial support to Danirasa Foundation to empower destitute women in Pattabiram through fully equipped skill development facilities, and support for women and marginalized communities in Bangarupalayam, Chittoor district, Andhra Pradesh, through micro enterprise initiatives involving petty shops, food carts, and transportation assets.

Inclusive livelihoods for persons with disabilities were strengthened through support to Satya Special School, Puducherry, focusing on economic independence and skill development for persons with disabilities and their parents. Five Star also procured a fully adapted bus for Dorcas Research Centre for Education, Art and Culture to provide accessible transportation for women with physical disabilities, enabling greater participation in education, employment, and community programmes.

The Company supported the provision of safe and inclusive living quarters for young adult special children through Sri Arunodayam Charitable Trust at Ramasamudiram, Thiruthani, enhancing independence, dignity, and quality of life. Nutritional security was addressed through the provision of food to approximately 110 orphans, persons with disabilities, and elderly beneficiaries at The United Educational and Social Welfare Trust in Coimbatore.

Addressing workforce needs in the healthcare sector, Five Star supported skill development for General Duty Assistants through a programme implemented by Orion Educational Society in Hyderabad, Telangana, and Tirupati, Andhra Pradesh, contributing to inclusive growth while addressing the growing demand for skilled healthcare support staff.

Ongoing and Multi Year CSR Initiatives

Several of Five Star's CSR interventions are designed as multi year programmes to ensure sustained impact. These include continued education fee sponsorship for 100 college students through Team Everest, ongoing support for classroom construction at Akshaya Vidyalaya School in Kancheepuram district, continued deployment of the Project Femicare mobile mammogram unit through Kalpavriksham, Chennai, and sustained support for inclusive residential facilities for young adults with special needs through Sri Arunodayam Charitable Trust at Ramasamudiram, Thiruttani.

Environment

Environmental well being is a fundamental pillar of sustainable development. While environmental considerations were historically viewed as secondary to economic priorities, emerging global challenges such as climate change and water scarcity have highlighted their far reaching impact across all industries, including the financial services sector.

The Company remains fully compliant with all applicable environmental regulations and is committed to systematically identifying, assessing, and managing environmental risks across all stages of its operations to ensure responsible and sustainable business practices.

Energy and Emission Management

Our direct energy consumption primarily comprises the use of diesel for operating DG sets at our corporate headquarters in Chennai and central hub offices in Andhra Pradesh and Karnataka. Indirect energy consumption arises from electricity procured from the grid across our operational locations.

We recognize that effective monitoring and efficient use of energy are critical not only to reducing our carbon footprint but also to achieving cost efficiencies, enhancing long term business sustainability, and mitigating risks associated with evolving climate related challenges.

S.No.	Source of Energy	FY 2025 - 26	FY 2024 - 25
1	Fuel Consumption	48.89	16.56
2	Electricity Purchased from Grid	11,610.92	18,335.83

S.No.	GHG Emissions (tCO_2e)	FY 2025 - 26	FY 2024 - 25
1	Scope 1	3.64	1.11
2	Scope 2	2,289.93	3,647

Waste Management

The company actively seeks to enhance operational eco efficiency by promoting digitalization and transitioning toward paperless processes across its operations.

All electronic waste generated is disposed of through authorized recyclers in accordance with applicable regulatory requirements. Beyond e waste management, the Company's operations do not present any other material risks or opportunities related to waste management at this time.

Water Management

The Company's water consumption is limited to employee use, such as for restrooms and pantry facilities. We actively ensure that water is used efficiently at our corporate headquarters and have installed water efficient fixtures to prevent wastage. In addition, we are in the process of implementing systems to monitor, measure, and report water usage more effectively.

S.No.	Water Parameter (KL)	FY 2025 - 26
1	Total Water Consumption	179,040.56
2	Total Water Discharged	0

Statement of disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies

Annexure F

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2025-26 & the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2025-26:

Name of the Directors	Designation	% increase of remuneration in FY 2025 - 26 as Compared to FY 2024 - 25$	Ratio of remuneration to Median Remuneration of Employees
Lakshmipathy Deenadayalan	Chairman & Managing Director	0%	219:1
Rangarajan Krishnan*	Joint Managing Director & Chief Executive Officer	-	-
Srikanth Gopalakrishnan	Joint Managing Director & Chief Financial Officer	0%	45:1
Anand Raghavan	Independent Director	25%	6:1
Srinivasaraghavan T T	Independent Director	25%	6:1
Bhama Krishnamurthy	Independent Director	25%	6:1
Ramkumar Ramamoorthy	Independent Director	25%	6:1
Vasan Thirulokchand	Non-Executive Director	25%	6:1
Ms. Rajeshwari S#	Independent Director	-	-

$ Excludes sitting fees paid to Independent and Non-Executive Directors

** Resigned effective from August 14, 2025*

** N.A. - Percentage increase is not comparable as there were no increase in remuneration in the previous financial year.*

 # Appointed w.e.f February 02, 2026

Name of the Key Managerial Personnels	Designation	% increase of remuneration in FY 2025 - 26 as Compared to FY 2024 - 25
Vigneshkumar SM	Company Secretary (w.e.f February 27, 2025)	50%
Srikanth Gopalakrishnan	Joint Managing Director & CFO	0.0%

(iii) The percentage increase in the median remuneration of employees in the financial year 2025-26: 2.44% as compared to the financial year 2024-25.

(iv) The number of permanent employees on the rolls of the Company as of March 31, 2026, and March 31, 2025, was 14,159 and 11,934 respectively.

(v) Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average percentile increases in salaries of employees other than the managerial personnel for the financial year 2025-26 was 8.4% and increase in managerial remuneration was 16.7%

(vi) Affirmation that the remuneration is as per the remuneration policy of the company: The Company affirms that remuneration is as per the Director's Appointment, Remuneration & Evaluation policy adopted by the Company for Directors, Key Managerial Personnel and other Employees.

Financial Statements

Independent Auditor's Report

To the Members of Five-Star Business Finance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Five-Star Business Finance Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Provision for Expected Credit Losses ("ECL") on Loans: As at March 31, 2026, the Company has reported gross loan assets of Rs. 13,22,794 lakhs measured at amortised cost against which an impairment loss of Rs. 24,316 lakhs has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 - Financial Instruments'. As part of our risk assessment, we determined that the estimation of ECL on financial instruments involves significant management judgement, estimates and assumptions which could have a material impact on the financial statements. The elements of estimating ECL which involves increased level of audit focus are the following: Segmentation of loan portfolio based on homogeneity, qualitative and quantitative factors used in staging of the loan assets, techniques used to determine probability of default (PD), exposure at default (EAD) and loss given default (LGD) based on the historical trends, judgements used in projecting macro-economic factors and probability weights applied to reflect future economic conditions, consideration of management overlays as part of its ECL computation, to reflect an increased risk of deterioration in relevant macro-economic factors. Such overlays are based on various uncertain variables which could result in actual credit loss being different than that being estimated. (Refer note 6 to the financial statements)	**Principle Audit Procedures:** 1. We examined Board Policies approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on lending exposures measured at amortised cost. 2. We evaluated the design and operating effectiveness of controls relevant to ECL, including the judgements and estimates. 3. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, credit monitoring and macro-economic scenarios. 4. We tested the completeness of loans included in the Expected Credit Loss calculations as of March 31, 2026 by reconciling it with the balances as per loan register as on that date. 5. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage and tested the appropriateness of the segmentation. 6. For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. 7. For forward looking assumptions used in ECL calculations, we held discussions with management, assessed the assumptions used and the probability weights assigned to the possible outcomes. 8. We assessed the appropriateness of the scenarios used and calculation of the management overlay and validated the assumptions using the data provided by the Company. 9. The mathematical accuracy of the ECL computation by using the same input data as used by the Company.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures, Management Discussion & Analysis, Business Responsibility & Sustainability Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
- When we read the Director's report including Annexures, Management Discussion & Analysis, Business Responsibility & Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act we report, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position as at the year end in its financial statements - Refer Note 36 to the financial statements.
      ii. The Company has made provision at the year end, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 6 and 15 to the financial statements.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 50(v)(i) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 50(v)(ii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. As stated in Note 22 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
      vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the audit trail has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any

instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Partner
Membership No: 109839
UDIN: 26109839VVUPCS7582

Place: Mumbai
Date: April 28, 2026

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of **Five-Star Business Finance Limited** (the "Company") as at March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Partner
Membership No: 109839
UDIN: 26109839VVUPCS7582

Place: Mumbai
Date: April 28, 2026

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and investment property.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noted on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in-progress and investment property are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising book debt statements and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) During the year, the Company has made investments in, provided security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, security and loans and advances:

(a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The investments made, security given and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantees during the year.

(c) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 2.5(iii) to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at March 31, 2026, aggregating INR 44,610 lakhs were categorised as credit impaired ('Stage 3') and INR 123,172 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in Note no. 6 to the financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating INR 1,154,682 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating INR 61,134 lakhs were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is INR 44,089 lakhs. Reasonable steps are being taken by the Company for recovery of the principal and interest.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and section 186 is not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a slight delay in respect of remittance of Provident Fund, Employee State Insurance and Professional Tax.

There were no undisputed amounts payable in respect of Goods and Services Tax, Employees' State Insurance, Provident Fund, Income-tax, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (In ₹ lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Goods and Services Tax Act, 2017	Input tax credit	13.21	FY 2020-21	Deputy Commissioner Appeals
Andhra Pradesh Goods and Services Tax Act, 2017	Input tax credit	9.74	FY 2020-21	Deputy Commissioner Appeals
Andhra Pradesh Goods and Services Tax Act, 2017	Input tax credit	2.35	FY 2021-22	Deputy Commissioner Appeals

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us, in respect of borrowings:

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.

(d) On an overall examination of the maturity profile of financial assets and financial liabilities provided in Note 47 to the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has made preferential allotment of shares during the year. For such allotment of shares we further report that the requirements of Section 42 and 62 of the Companies Act, 2013 have been complied with and the funds raised have not been utilised by the Company during the year. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi)(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year other than those disclosed in Note 49(AE) to the financial statements.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year covering the period upto March 31, 2026.

(xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence, provisions of section 192 of the Act are not applicable.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

(b) During the year the Company has not conducted any Non-Banking Financial activities or Housing financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Partner
Membership No: 109839
UDIN: 26109839VVUPCS7582

Place: Mumbai
Date: April 28, 2026

Balance Sheet as at March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
Assets			
Financial Assets			
Cash and cash equivalents	4	161,789.52	149,674.05
Bank balances other than cash and cash equivalents	5	53,105.57	65,839.86
Derivative financial instruments	15	6,165.94	676.16
Loans	6	1,298,477.61	1,168,679.03
Investments	7	22,713.60	21,222.30
Other financial assets	8	7,914.78	8,113.00
Total Financial Assets		**1,550,167.02**	**1,414,204.40**
Non-financial Assets			
Current tax assets (Net)	9	1,111.69	326.24
Deferred tax assets (Net)	34	8,557.22	8,721.08
Investment property	10	3.56	3.56
Property, plant and equipment	12	2,639.99	2,412.35
Right of use asset	38	5,608.85	5,510.10
Capital work-in-progress	13	7,208.34	6,236.10
Other intangible assets	14	573.61	713.24
Other non-financial assets	11	3,103.60	3,929.38
Total Non Financial Assets		**28,806.86**	**27,852.05**
Total Assets		**1,578,973.88**	**1,442,056.45**
Liabilities and Equity			
Financial Liabilities			
Derivative financial instruments	15	-	964.12
Payables			
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		118.62	115.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,062.26	2,556.50
Debt securities	17	78,323.23	78,178.40
Borrowings (other than debt securities)	18	741,719.77	714,020.99
Other financial liabilities	19	10,586.48	9,463.96
Total Financial Liabilities		**833,810.36**	**805,299.33**
Non-financial Liabilities			
Current tax liabilities (Net)	9A	1,455.66	865.79
Provisions	20	3,733.53	3,443.50
Other non-financial liabilities	21	1,958.97	1,987.16
Total Non Financial Liabilities		**7,148.16**	**6,296.45**
Total Liabilities		**840,958.52**	**811,595.78**

Balance Sheet as at March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
Equity			
Equity share capital	22	2,951.75	2,944.27
Other equity	23	735,063.61	627,516.40
Total Equity		**738,015.36**	**630,460.67**
Total Liabilities and Equity		**1,578,973.88**	**1,442,056.45**
See accompanying notes to the financial statements	2 and 3		

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Membership No: 109839

Place: Mumbai
Date: April 28, 2026

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : L65991TN1984PLC010844

D Lakshmipathy
Chairman & Managing Director
DIN : 01723269

R Anand
Independent Director
DIN : 00243485

G Srikanth
Joint Managing Director
& Chief Financial Officer
DIN: 10636810

Vigneshkumar. S. M
Company Secretary
ACS: A44671

Place: Chennai
Date: April 28, 2026

Statement of Profit and Loss for the Year ended March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations			
Interest income	24	312,912.22	276,627.72
Fees and commission income	25	4,654.68	3,216.52
Net gain on fair value changes	26	4,245.45	4,939.72
Total revenue from operations(I)		**321,812.35**	**284,783.96**
Other income (II)	27	2,784.82	1,818.43
Total Income (III) = (I) + (II)		**324,597.17**	**286,602.39**
Expenses			
Finance Costs	28	73,718.74	66,798.07
Impairment on financial instruments	29	21,631.72	8,896.52
Employee benefits expense	30	62,988.77	52,110.47
Depreciation and amortization	31	3,704.67	3,037.91
Other expenses	32	16,271.57	12,699.99
Total Expenses (IV)		**178,315.47**	**143,542.96**
Profit before tax (V) = (III) - (IV)		**146,281.70**	**143,059.43**
Tax Expense			
Current Tax	33	36,503.91	37,160.64
Deferred tax	33	(96.74)	(1,350.20)
Total tax expenses (VI)		**36,407.17**	**35,810.44**
Profit for the year (A) = (V) - (VI)		**109,874.53**	**107,248.99**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans (net)	41	864.63	(391.93)
Income tax relating to items that will not be reclassified to profit or loss	33.1	(217.61)	98.64
Subtotal (i)		**647.02**	**(293.29)**
Items that will be reclassified to profit or loss			
The effective portion of gain and loss on hedging instruments in a cash flow hedge	48	170.85	4.18
Income tax relating to items that will be reclassified to profit or loss	33.1	(43.00)	(1.05)
Subtotal (ii)		**127.85**	**3.13**
Other comprehensive income / (loss) for the year (B)= (i) +(ii)		**774.87**	**(290.16)**
Total comprehensive income for the year (A) + (B)		**110,649.40**	**106,958.83**

Statement of Profit and Loss for the Year ended March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings per equity share (face value INR 1 each)			
- Basic (in rupees)		37.31	36.61
- Diluted (in rupees)	39	37.25	36.50
See accompanying notes to the financial statements	2 and 3		

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Membership No: 109839

Place: Mumbai
Date: April 28, 2026

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : L65991TN1984PLC010844

D Lakshmipathy
Chairman & Managing Director
DIN : 01723269

R Anand
Independent Director
DIN : 00243485

G Srikanth
Joint Managing Director
& Chief Financial Officer
DIN: 10636810

Vigneshkumar. S. M
Company Secretary
ACS: A44671

Place: Chennai
Date: April 28, 2026

Statement of Cash Flows for the Year ended March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from Operating Activities		
Profit Before Tax	**146,281.70**	**143,059.43**
Adjustments for:		
Interest on loans	(303,009.60)	(269,292.32)
Interest on deposit with banks	(8,411.32)	(6,369.49)
Interest on investment in government securities	(1,491.30)	(965.91)
Finance costs	73,718.74	66,798.07
Impairment on financial instruments	21,631.72	8,896.52
Depreciation and amortisation	3,704.67	3,037.91
Loss on sale of property, plant and equipment (net)	6.58	8.17
Net gain on fair value changes on mutual fund investments	(4,245.45)	(4,939.72)
Gain recognised on derecognition of leases	(20.98)	(11.87)
Employee stock option expenses	642.33	1,776.92
Operating cash flow before working capital changes	**(71,192.91)**	**(58,002.29)**
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets		
Loans	(154,919.20)	(207,357.10)
Other financial assets	213.48	(2,494.92)
Other non-financial assets	696.65	(1,116.87)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	509.02	140.23
Provision	1,154.66	959.78
Other financial liabilities	833.51	(2,637.19)
Other non financial liabilities	(28.19)	719.06
Net cash used in operations	**(222,732.99)**	**(269,789.30)**
Finance cost paid	(73,494.54)	(64,168.80)
Interest income received	306,498.50	267,581.12
Direct taxes paid (net)	(36,699.46)	(38,118.11)
Net Cash Used in Operating Activities (A)	**(26,428.49)**	**(104,495.09)**
Cash flow from Investing Activities		
Purchase of property, plant and equipment (including capital work-in-progress, intangible assets and capital advances)	(2,563.96)	(8,271.88)
Proceeds from sale of property, plant and equipment	11.06	5.10
Redemption of mutual funds (net)	4,245.44	4,939.72
Purchase of government securities	-	(20,426.54)
Redemption of government securities	-	9,943.07
Interest income on deposit from banks/ others	9,101.83	7,339.69
Deposits placed (with)/withdrawn from banks (net)	12,043.79	(52,086.71)
Net Cash flow from / (used in) Investing Activities (B)	**22,838.16**	**(58,557.55)**

Statement of Cash Flows for the Year ended March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from Financing Activities		
Proceeds on issue of equity shares	7.48	19.78
Proceeds towards share application money	0.02	-
Proceeds from securities premium on issue of shares	2,144.44	1,300.42
Proceeds on issue of share warrants	-	789.25
Proceeds from borrowings (including debt securities)	290,627.29	354,500.00
Payment of dividend	(5,888.98)	-
Repayment of borrowings (including debt securities)	(269,296.11)	(195,846.14)
Repayment of lease liabilities (excluding interest)	(1,888.34)	(1,476.55)
Net Cashflow from Financing Activities (C)	**15,705.80**	**159,286.76**
Net increase/(decrease) in cash and cash equivalent [A+B+C]	**12,115.47**	**(3,765.88)**
Cash and Cash Equivalents at the beginning of the Year	**149,674.05**	**153,439.93**
Cash and Cash Equivalents at the end of the year	**161,789.52**	**149,674.05**

Notes

Components of Cash and Cash Equivalents

Cash and cash equivalents

Cash on hand	736.74	1,013.71
Balances with banks		
(i) In current accounts	7,478.55	10,935.60
(ii) In other deposit accounts (original maturity less than 3 months)	153,574.23	137,724.74
See accompanying notes to the financial statements	161,789.52	149,674.05

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Membership No: 109839

Place: Mumbai
Date: April 28, 2026

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : L65991TN1984PLC010844

D Lakshmipathy
Chairman & Managing Director
DIN : 01723269

R Anand
Independent Director
DIN : 00243485

G Srikanth
Joint Managing Director
& Chief Financial Officer
DIN: 10636810

Vigneshkumar. S. M
Company Secretary
ACS: A44671

Place: Chennai
Date: April 28, 2026

Statement of Changes in Equity for the Year ended March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Number of Shares	For the year ended March 31, 2026	Number of Shares	For the year ended March 31, 2025
A. Equity share capital				
Balance at the beginning of the current year	**294,427,100**	**2,944.27**	**292,449,220**	**2,924.49**
Changes in equity share capital during the year				
Add: Issue, subscribed and fully paid during the year				
Issue of equity shares under employee stock option	438,178	4.38	1,977,880	19.78
Preferential issue of equity shares	310,000	3.10	-	-
Balance at the end of the current year	**295,175,278**	**2,951.75**	**294,427,100**	**2,944.27**

Particulars	Reserves and Surplus					Other Comprehensive income		Share application money pending allotment	Money received against the share warrants	Total
	Statutory Reserve	Securities Premium	Share option Outstanding Account	General Reserve	Retained Earnings	Effective portion of Cashflow Hedges	Remeasurement of defined benefit plan			
B. Other Equity										
Balance as at April 01, 2025	**77,350.65**	**239,535.01**	**3,335.93**	**719.60**	**306,114.64**	**(328.68)**	**-**	**-**	**789.25**	**627,516.40**
The effective portion of gain and loss on hedging instruments in a cash flow hedge	-	-	-	-	-	127.85	-	-	-	127.85
Proceeds on issue of share warrants	-	-	-	-	-	-	-	-	(596.75)	(596.75)
Share application money pending allotment	-	-	-	-	-	-	-	0.02	-	0.02
Proceeds from securities premium on issue of equity shares	-	2,741.19	-	-	-	-	-	-	-	2,741.19
Profit for the year	-	-	-	-	109,874.53	-	-	-	-	109,874.53
Transfer to statutory reserve	21,974.91	-	-	-	(21,974.91)	-	-	-	-	-
Remeasurement of defined benefit plan	-	-	-	-	-	-	647.02	-	-	647.02
Transfer to retained earnings	-	-	-	-	647.02	-	(647.02)	-	-	-
Employee stock option expenses	-	-	642.33	-	-	-	-	-	-	642.33
Dividend paid	-	-	-	-	(5,888.98)	-	-	-	-	(5,888.98)
Transfer to securities premium on exercise of ESOP	-	1,157.12	(1,157.12)	-	-	-	-	-	-	-
Balance as at March 31, 2026	**99,325.56**	**243,433.32**	**2,821.14**	**719.60**	**388,772.30**	**(200.83)**	**-**	**0.02**	**192.50**	**735,063.61**
Balance as at April 01, 2025	**55,900.85**	**234,158.90**	**5,634.70**	**719.60**	**220,608.74**	**(331.81)**	**-**	**-**	**-**	**516,690.98**
The effective portion of gain and loss on hedging instruments in a cash flow hedge	-	-	-	-	-	3.13	-	-	-	3.13
Proceeds on issue of share warrants	-	-	-	-	-	-	-	-	789.25	789.25
Proceeds from securities premium on issue of equity shares	-	1,300.42	-	-	-	-	-	-	-	1,300.42
Profit for the year	-	-	-	-	107,248.99	-	-	-	-	107,248.99
Transfer to statutory reserve	21,449.80	-	-	-	(21,449.80)	-	-	-	-	-
Remeasurement of defined benefit plan	-	-	-	-		-	(293.29)	-	-	(293.29)
Transfer to retained earnings	-	-	-	-	(293.29)	-	293.29	-	-	-
Employee stock option expenses	-	-	1,776.92	-	-	-	-	-	-	1,776.92
Transfer to securities premium on exercise of ESOP	-	4,075.69	(4,075.69)	-	-	-	-	-	-	-
Balance as at March 31, 2025	**77,350.65**	**239,535.01**	**3,335.93**	**719.60**	**306,114.64**	**(328.68)**	**-**	**-**	**789.25**	**627,516.40**

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Membership No: 109839

Place: Mumbai
Date: April 28, 2026

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : L65991TN1984PLC010844

D Lakshmipathy
Chairman & Managing Director
DIN : 01723269

G Srikanth
Joint Managing Director & Chief Financial Officer
DIN: 10636810

Place: Chennai
Date: April 28, 2026

R Anand
Independent Director
DIN : 00243485

Vigneshkumar. S. M
Company Secretary
ACS: A44671

1. Corporate Information

Five-Star Business Finance Limited ("the Company") (CIN:L65991TN1984PLC010844), is a public limited company domiciled in India, and incorporated under the provisions of Companies Act applicable in India. The registered office of the company is located at New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010. The Company's shares are listed in stock exchanges in India.

The Company is a systemically important non-deposit taking Non-Banking Finance Company (NBFC). The Company has received the Certificate of Registration dated June 9, 2016 in lieu of Certificate of Registration dated December 3, 2002 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). The Company is primarily engaged in providing loans for business purposes, house renovation / extension purposes and other mortgage purposes.

2. Statement of Compliance and Basis of preparation

2.1. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, (the 'Act') as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements were authorised for issue by the Company's Board of Directors on April 28, 2026.

Details of the Company's accounting policies are disclosed in note 3.

2.2. Presentation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 issued vide notification no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025 ('the NBFC Master Directions') and erstwhile notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 and RBI/2020-21/15 DOR (NBFC).CC.PD. No.116/22.10.106/2020-21 dated 24 July 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

The financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III as amended from time to time, for Non Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:-

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and / or its counterparties.

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

2.3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs (upto two decimals), unless otherwise indicated.

2.4. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, fair value through Profit and Loss (FVTPL) instruments, derivative financial instruments and certain other financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.5. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

ii) Effective Interest Rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and delayed interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include :

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulae and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

v) Share-based payments

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses Monte-Carlo simulation model for Employee Share Option Plan .The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 42.

vi) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Further details about gratuity obligations are given in Note 41.

vii) Leases

The estimates and judgements related to leases include:

a) The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options.

b) The determination of the incremental borrowing rate used to measure lease liabilities.

viii) Other assumptions and estimation uncertainties

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

i) Estimated useful life of property, plant and equipment and intangible assets;

ii) Recognition of deferred taxes.

iii) Upfront recognition of Excess Interest Spread (EIS) in relation to securitisation transactions.

3. Summary of Material Accounting Policies

3.1 Revenue Recognition from contracts with customers

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. The Company applies the five-step approach for the recognition of revenue:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the group satisfies a performance obligation.

A. Effective Interest Rate ('EIR') Method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company continues to calculate interest income on the net amortized cost of the financial asset.

B. Dividend income

Dividend income is recognised when the Company’s right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fee income

Fees income such as legal inspection charges are recognised on an accrual basis in accordance with term of contract with the customer. Cheque Bounce charges are recognised as income upon certainty of receipt.

E. Others

Penal charges and other operating income are recognized as income upon certainty of receipt.

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

3.2. Financial instrument - initial recognition

A. Date of recognition

Debt securities issued and borrowings (other than debt securities) are initially recognised when the funds reach the Company. Loans are recognised when funds are transferred to the customers account. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss (FVTPL), transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset’s contractual terms, measured at either:

i). Amortised cost

ii). FVOCI

iii). FVTPL

D. Net gain on fair value changes:

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

3.3. Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).
The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows based on the existing business model:

(i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Bank balances, Loans, Trade receivables and other financial investments that meet the above conditions are measured at amortised cost.

(ii) Financial assets at fair value through OCI (FVOCI)

Financial assets are measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset meets the SPPI test.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified as measured at amortised cost/ FVOCI are measured at FVTPL.

B. Financial liabilities

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

iii) Debt Securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices market indicators over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

iv) Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index or prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

3.4. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its significant financial assets or liabilities in the year ended March 31, 2026 and March 31, 2025.

3.5.Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless the new loan is deemed to be Purchased or originated credit impaired (POCI)

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

ii) Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6. Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

i). The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or ii). Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:

Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD):

Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD):

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD):

Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on LTECLs rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward looking information.

Stage 3:

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event–instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan Commitments

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.7. Collateral repossessed

The Company generally does not use the assets repossessed for internal operations. The underlying loans in respect of which collaterals have been repossessed with an intention to realize by way of sale are considered as Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

3.8. Write-offs

Financial assets are written off when there is a significant doubt on recoverability in the medium term. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement of profit and loss.

3.9. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3;

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company evaluates the levelling in the hierarchy at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.10. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

3.11. Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

On transition to Ind AS (i.e. 1 April 2017), the Company has elected to continue with the carrying value of Investment property measured as per the previous GAAP and use that carrying value as the deemed cost of Investment property.

3.12. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment are as follows:

Asset Category	Estimated Useful Life
Vehicles	8 Years
Furniture and fittings	10 Years
Office equipment	5 Years
Computers and accessories	3 Years
Servers	6 Years

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.13. Intangible assets

i. Recognition & Measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

On transition to Ind AS (i.e. 1 April 2017), the Company has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset Category	Estimated Useful Life
Computer Software	5 Years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate on prospective basis.

3.14. Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken in to account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.15. Employee benefits

i. Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees. The Company has no obligation, other than the contribution payable to the provident fund.

Employees' State Insurance: The Company contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Defined benefit plans

Gratuity

"A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'),if any. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Share based payments

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

3.16. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.17. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e.the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the initial period agreed in the lease agreement , together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the initial period agreed in the lease agreement.

3.18. Taxes

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Indirect taxes

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

3.20. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.21. Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

3.22. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

3.23. Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.23.1. Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

3.23.2. Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationships exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Notes forming part of the Financial Statements

for the Year ended March 31, 2026

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
4. Cash and cash equivalents		
Cash on hand	736.74	1,013.71
Balances with banks		
(i) In current accounts	7,478.55	10,935.60
(ii) In deposit accounts (original maturity less than 3 months)	153,574.23	137,724.74
Total	**161,789.52**	**149,674.05**

Note: Short-term deposits are made for varying period up to three months, depending on the immediate cash requirements of the Company and earn interest at fixed rate based on the respective short term deposit rate.

Particulars	As at March 31, 2026	As at March 31, 2025
5. Bank Balances other than cash and cash equivalents		
Term deposit with bank	44,576.24	58,124.27
Term deposits:		
Held as credit enhancements for securitisation	8,078.32	6,673.59
Held as cash collateral against derivative financial instruments	-	1,000.00
In earmarked accounts:		
(i) Unclaimed dividend	7.03	-
(ii) Unspent CSR	443.98	42.00
Total	**53,105.57**	**65,839.86**

Term deposits and other balances with banks earns interest at fixed rate based on the daily bank deposit rates

Particulars	As at March 31, 2026	As at March 31, 2025
6. Loans		
At amortised cost		
A. Based on nature		
Term Loans		
Gross term loans	1,322,464.68	1,187,703.78
Inter-Corporate Deposits*	329.45	308.35
Gross loans	**1,322,794.13**	**1,188,012.13**
Less: Impairment loss allowance	24,316.52	19,333.10
Net loans	**1,298,477.61**	**1,168,679.03**
B. Based on security		
Secured by tangible assets^	1,322,464.68	1,187,703.78
Unsecured	329.45	308.35
Gross loans	**1,322,794.13**	**1,188,012.13**
Less: Impairment loss allowance	24,316.52	19,333.10
Net loans	**1,298,477.61**	**1,168,679.03**
C. Based on region		
Loans in India		
Public sector	-	-
Other than public sector	1,322,794.13	1,188,012.13
Gross loans	**1,322,794.13**	**1,188,012.13**
Less: Impairment loss allowance	24,316.52	19,333.10
Net Loans in India	**1,298,477.61**	**1,168,679.03**
Loans outside India	**-**	**-**
Less: Impairment loss allowance	-	-
Net Loans outside India	**-**	**-**
Net Loans	**1,298,477.61**	**1,168,679.03**

^Secured exposures are secured by registered mortgage of immovable property.

The Company has not granted any loans or advances to promoters, directors, KMPs and the other related parties (as defined under the Companies Act 2013).

*Inter Corporate Deposits as on March 31, 2026 include INR 265.37 lakhs (March 31, 2025 - INR 265.37 lakhs) provided as credit enhancement for securitisation transaction.

6.1. Analysis of changes in the gross carrying amount and the corresponding expected credit loss (ECL) allowances:

6.1.1. Reconciliation of gross carrying amount is given below:

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Term Loans								
Gross carrying amount opening balance	**1,073,055.49**	**93,416.73**	**21,231.56**	**1,187,703.78**	**888,021.08**	**62,753.99**	**13,283.99**	**964,059.06**
Exposure de-recognised / matured / repaid (Excluding Write off)	(267,487.27)	(22,734.65)	(2,620.57)	(292,842.49)	(213,725.13)	(17,516.32)	(2,221.99)	(233,463.44)
Transfer to Stage 1	4,124.10	(3,819.94)	(304.16)	-	3,705.70	(3,537.37)	(168.33)	-
Transfer to Stage 2	(77,226.39)	77,355.51	(129.12)	-	(55,500.63)	55,571.18	(70.55)	-
Transfer to Stage 3	(17,730.37)	(22,759.95)	40,490.32	-	(6,287.48)	(8,655.77)	14,943.25	-
Amount written off	-	(1,169.80)	(15,478.50)	(16,648.30)	-	-	(5,421.37)	(5,421.37)
New Assets Originated/ Incremental Accretion	439,946.97	2,884.57	1,420.15	444,251.69	456,841.95	4,801.02	886.56	462,529.53
Gross carrying amount closing balance	**1,154,682.53**	**123,172.47**	**44,609.68**	**1,322,464.68**	**1,073,055.49**	**93,416.73**	**21,231.56**	**1,187,703.78**
Inter-Corporate Deposits								
Gross carrying amount opening balance	**308.35**	**-**	**-**	**308.35**	**20,306.14**	**-**	**-**	**20,306.14**
Exposure de-recognised / matured / repaid (Excluding Write off)-	-	-	-	-	(20,204.11)	-	-	(20,204.11)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Amount written off	-	-	-	-	-	-	-	-
New assets originated/ Incremental Accretions	21.10	-	-	21.10	206.32	-	-	206.32
Gross carrying amount closing balance	**329.45**	**-**	**-**	**329.45**	**308.35**	**-**	**-**	**308.35**

6.1.2. Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Term Loan								
Impairment loss allowance opening balance	**3,666.96**	**4,770.83**	**10,894.08**	**19,331.87**	**3,495.74**	**5,072.36**	**7,208.63**	**15,776.73**
New assets originated/ Incremental Accretions	9,966.02	7,916.53	10,189.22	28,071.77	4,956.34	2,895.50	4,762.34	12,614.18
Transfer to Stage 1	24.21	(22.29)	(1.92)	-	269.26	(252.71)	(16.55)	-
Transfer to Stage 2	(2,881.22)	2,884.82	(3.60)	-	(1,880.29)	1,886.11	(5.82)	-
Transfer to Stage 3	(6,742.36)	(7,870.13)	14,612.49	-	(2,070.33)	(3,279.11)	5,349.44	-
Reversal/Utilization/Write off	(2,453.80)	(3,412.38)	(17,222.26)	(23,088.44)	(1,103.76)	(1,551.32)	(6,403.96)	(9,059.04)
Impairment loss allowance closing balance	**1,579.81**	**4,267.38**	**18,468.01**	**24,315.20**	**3,666.96**	**4,770.83**	**10,894.08**	**19,331.87**
Inter Corporate Deposits								
Impairment loss allowance opening balance	**1.23**	**-**	**-**	**1.23**	**81.24**	**-**	**-**	**81.24**
New assets originated/ Incremental Accretions	0.08	-	-	0.08	0.81	-	-	0.81
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Reversal/Utilization/ Write off	-	-	-	-	(80.82)	-	-	(80.82)
Impairment Loss Allowance- closing balance	**1.32**	**-**	**-**	**1.32**	**1.23**	**-**	**-**	**1.23**

Particulars	As at March 31, 2026	As at March 31, 2025
7. Investments		
Investments in Government Securities (At amortized Cost)*		
Investment in Government of India Strips	22,713.60	21,222.30
Total	**22,713.60**	**21,222.30**

*Investments are made in India

7.1. Internal Rating Grade (Investments measured at amortised cost)

The table below shows the credit quality and the maximum exposure to credit risk based on the entity's internal credit rating system and year end stage classification

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Grade								
Low Risk	22,713.60	-	-	22,713.60	21,222.30	-	-	21,222.30
Medium Risk	-	-	-	-	-	-	-	-
High Risk	-	-	-	-	-	-	-	-
Total	**22,713.60**	**-**	**-**	**22,713.60**	**21,222.30**	**-**	**-**	**21,222.30**

7.2. Movement in investments (Investments measured at Amortised cost)

Opening Balance	**21,222.30**	**-**	**-**	**21,222.30**	**10,768.73**	**-**	**-**	**10,768.73**
New assets purchased	-	-	-	-	20,426.54	-	-	20,426.54
Interest Accrued	1,491.30	-	-	1,491.30	-	-	-	-
Assets redeemed	-	-	-	-	(9,972.97)	-	-	(9,972.97)
Closing Balance	**22,713.60**	**-**	**-**	**22,713.60**	**21,222.30**			**21,222.30**

Particulars	As at March 31, 2026	As at March 31, 2025
8. Other financial assets		
Unsecured, considered good (At Amortized Cost)		
Security deposits	1,197.62	1,074.80
Other receivables*	6,717.16	7,038.20
Less: Impairment allowances	-	-
Total	**7,914.78**	**8,113.00**

*Other receivables as on March 31, 2026 include - INR 6,387.72 lakhs (March 31, 2025- INR 6,398.56) provided as credit enhancement for securitisation transaction.

9. Current tax assets (net)		
Advance income tax paid net of provision for tax	1,111.69	326.24
Total	**1,111.69**	**326.24**
9A. Current tax liabilities (Net)		
Provision for tax net of advance income tax paid	1,455.66	865.79
Total	**1,455.66**	**865.79**
10. Investment Property		
Land		
Cost (Gross carrying amount)		
Balance at the beginning of the year	3.56	3.56
Acquisition/disposal	-	-
Balance at the end of the year	**3.56**	**3.56**

Particulars	As at March 31, 2026	As at March 31, 2025
Accumulated depreciation		
Balance at the beginning of the year	-	-
Depreciation for the year	-	-
Balance at the end of the year	**-**	**-**
Net carrying amount	**3.56**	**3.56**
Fair value	**9.21**	**8.88**

The fair value of the Company's investment property at March 31, 2026 has been arrived at on the basis of a valuation carried out at that date by N Thandapani, independent valuer not connected with the Company. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. N Thandapani is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules 2017. There were no immovable property where the title deeds of the property are not held in the name of the Company.

Price per square feet is the significant unobservable input iused for the fair valuation of the immovable property. The fair value changes by INR 0.92 Lakhs as at March 31, 2026, at a sensitivity of 10%.(March 31, 2025 - INR 0.89 lakhs).

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

There is no impairment in respect of investment property.

11. Other non-financial assets		
Capital advances	410.54	539.67
Prepaid expenses	2,225.37	2,682.35
Advance to suppliers	190.48	178.72
Balance with government authorities	277.21	707.36
Total	**3,103.60**	**3,929.38**

Particulars	Furniture & Fittings	Computers & Accessories	Office Equipment	Vehicles	Leasehold Improvements	Total
12. Property, plant and equipment						
Cost or deemed cost (gross carrying amount)						
As at April 01, 2024	**1,679.05**	**2,679.09**	**953.63**	**23.27**	**458.75**	**5,793.79**
Additions	748.59	618.96	195.35	-	0.87	1,563.77
Disposals	29.12	34.97	17.17	-	-	81.26
As at March 31, 2025	**2,398.52**	**3,263.08**	**1,131.81**	**23.27**	**459.62**	**7,276.31**
Additions	496.06	673.90	155.58	-	217.45	1,543.00
Disposals	62.48	70.05	7.71	-	-	140.24
As at March 31, 2026	**2,832.10**	**3,866.93**	**1,279.68**	**23.27**	**677.07**	**8,679.05**
Accumulated depreciation						
As at April 01, 2024	**790.58**	**1,943.66**	**558.76**	**20.35**	**426.59**	**3,739.94**
Depreciation	321.18	633.79	228.81	-	8.24	1,192.02
Depreciation on disposals	21.91	32.10	13.98	-	-	67.99
As at March 31, 2025	**1,089.85**	**2,545.35**	**773.59**	**20.35**	**434.83**	**4,863.97**
Depreciation	419.69	613.50	198.59	-	65.90	1,297.69
Depreciation on disposals	49.67	66.47	6.47	-	-	122.60
As at March 31, 2026	**1,459.87**	**3,092.38**	**965.72**	**20.35**	**500.73**	**6,039.06**
Net carrying amount						
As at March 31, 2025	**1,308.67**	**717.73**	**358.22**	**2.92**	**24.79**	**2,412.35**
As at March 31, 2026	**1,372.23**	**774.55**	**313.96**	**2.92**	**176.34**	**2,639.99**

Particulars	As at March 31, 2026	As at March 31, 2025
13. Capital work-in-progress		
Capital work-in-progress (CWIP)	7,208.34	6,236.10
Total	**7,208.34**	**6,236.10**

CWIP	As at March 31, 2026				As at March 31, 2025			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
a) CWIP aging schedule								
Projects in progress	972.24	6,236.10	-	-	6,236.10	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-
Total	**972.24**	**6,236.10**	**-**	**-**	**6,236.10**	**-**	**-**	**-**

b) There are no capital work-in-progress for which the completion is overdue or has exceeded its cost compared to the original plan.

Particulars	Software	Total
14. Other Intangible Assets		
Cost or deemed cost (gross carrying amount)		
As at April 01, 2024	**1,632.86**	**1,632.86**
Additions	19.80	19.80
Disposals	-	-
As at March 31, 2025	**1,652.66**	**1,652.66**
Additions	177.88	177.88
Disposals	-	-
As at March 31, 2026	**1,830.54**	**1,830.54**
Accumulated amortisation		
As at April 01, 2024	**664.32**	**664.32**
Amortisation	275.10	275.10
Amortisation on disposals	-	-
As at March 31, 2025	**939.42**	**939.42**
Amortisation	317.51	317.51
Amortisation on disposals	-	-
As at March 31, 2026	**1,256.93**	**1,256.93**
Net carrying amount		
As at March 31, 2025	**713.24**	**713.24**
As at March 31, 2026	**573.61**	**573.61**

Particulars	As at March 31, 2026			As at March 31, 2025		
	Notional Amount	Fair Value of Assets	Fair Value of Liabilities	Notional Amount	Fair Value of Assets	Fair Value of Liabilities
15. Derivative Financial Instruments (FVTOCI)						
Part I						
Other derivative - cross currency interest rate swap	50,618.90	2,516.98	-	9,322.80	676.16	-
Other derivative - forward contract	80,775.85	3,648.96	-	51,105.13	-	964.12
Total	**131,394.75**	**6,165.94**	**-**	**60,427.93**	**676.16**	**964.12**
Part II						
Included in above (Part-I) are derivatives held for hedging and risk management purposes as follows:						
Cash Flow Hedging-Cross Currency interest rate swap	50,618.90	2,516.98	-	9,322.80	676.16	-
Forward contract	80,775.85	3,648.96	-	51,105.13	-	964.12
Total	**131,394.75**	**6,165.94**	**-**	**60,427.93**	**676.16**	**964.12**

The Notional amounts in the above table refers to the foreign currency borrowing on which the company has hedged the risk of foreign currency fluctuations.

The Company has entered into derivative financial instruments with scheduled banks. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.

The Asset Liability Management Committee and Business Resource Committee periodically monitors and reviews the risks involved.

Particulars	As at March 31, 2026	As at March 31, 2025
16. Payables		
16.1. Trade payables		
Total outstanding dues of micro enterprises and small enterprises(MSME)(Refer note 37)	118.62	115.36
Total outstanding dues of creditors other than micro enterprises and small enterprises(Other than MSME)	3,062.26	2,556.50
Total	**3,180.88**	**2,671.86**

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
16.2. Trade payables (Ageing Schedule)							
The following schedules reflect the ageing of trade payables with respect to the due date of payment							
As at March 31, 2026							
(i) MSME	-	-	117.51	1.11	-	-	118.62
(ii) Others	2,402.07	-	604.37	30.83	11.30	13.69	3,062.26
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**2,402.07**	**-**	**721.88**	**31.95**	**11.30**	**13.69**	**3,180.88**
As at March 31, 2025							
(i) MSME	-	112.94	2.42	-	-	-	115.36
(ii) Others	2,257.40	-	201.95	15.21	54.82	27.12	2,556.50
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**2,257.40**	**112.94**	**204.37**	**15.21**	**54.82**	**27.12**	**2,671.86**

Based on the information received from the suppliers, the management has identified the enterprises which has provided services to the Company and which qualify under the definition of micro, medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Such determination and identification is for the purpose of presentation under this disclosure has been done on the basis of the information received and available with the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
17. Debt securities (refer note 17.1)		
At amortised cost		
Secured debentures		
1,50,00,000, (March 31, 2025 - 1,50,00,000) 12.75% redeemable, non-convertible debentures of INR 2.5 each	375.13	375.13
4,900, (March 31, 2025 - 4,900) 9.20% redeemable, non-convertible debentures of INR 1 lakh each	4,944.46	4,944.46
10,000, (March 31, 2025 - 10,000) 9.10% redeemable, non-convertible debentures of INR 1 lakh each	10,266.77	10,267.09
10,500, (March 31, 2025 - 10,500) 9.50% redeemable, non-convertible debentures of INR 1 lakh each	10,800.62	10,800.62
50,000, (March 31, 2025 - 50,000) 9.40% redeemable, non-convertible debentures of INR 1 lakh each	52,060.27	52,073.15
Total	**78,447.25**	**78,460.45**
Unamortised processing fee	(124.02)	(282.05)
Total	**78,323.23**	**78,178.40**
Debts securities in India	78,323.23	78,178.40
Debts securities outside India	-	-
Total	**78,323.23**	**78,178.40**

Debt securities aggregating to INR 374.94 Lakhs (INR 373.33 Lakhs in March 31, 2025) has been guaranteed by promoter, Mr. D. Lakshmipathy.

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
17.1. Details of terms of redemption/repayment and security provided in respect of debt securities					
Secured debentures					
15,000,000, (March 31, 2025 - 15,000,000) 12.75% redeemable, non-convertible debentures of INR 2.5 each	Principal payment frequency: Repayable yearly in 4 installments Coupon payment frequency: Quarterly	72 Months	March 31, 2023	375.13	375.13
4,900, (March 31, 2025 - 4,900) 9.20% redeemable, non-convertible debentures of INR 1 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Yearly	38 Months	April 24, 2026	4,944.46	4,944.46
10,000, (March 31, 2025 - 10,000) 9.10% redeemable, non-convertible debentures of INR 1 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Yearly	42 Months	December 15, 2026	10,266.77	10,267.09
10,500, (March 31, 2025 - 10,500) 9.50% redeemable, non-convertible debentures of INR 1 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Yearly	36 Months	December 12, 2026	10,800.62	10,800.62
50,000, (March 31, 2025 - Nil) 9.40% redeemable, non-convertible debentures of INR 1 lakh each	Principal payment frequency: Entire principal repayable yearly in 3 installments Coupon payment frequency: Half Yearly	48 Months	April 22, 2026	52,060.27	52,073.15
				78,447.25	**78,460.45**

All debentures are secured by an exclusive first charge on book debts with security cover ranging from 1 to 1.25 times of the outstanding amount at any point in time.

Particulars	As at March 31, 2026	As at March 31, 2025
18. Borrowings (other than debt securities) (refer note 18.1)		
At amortised cost		
Term loans (secured)		
From banks	437,639.77	444,531.48
From other financial institutions		
Rupee loans	119,350.38	131,869.40
External commercial borrowings	47,657.18	-
Borrowings under Securitisation (secured)	135,747.24	133,119.53
Term loans from others parties (unsecured)		
External Commercial Borrowings	3,786.90	6,838.85
Total	**744,181.47**	**716,359.26**
Less: Unamortised processing fee	(2,461.70)	(2,338.27)
Total	**741,719.77**	**714,020.99**
Borrowings in India	690,798.69	707,209.34
Borrowings outside India	50,921.08	6,811.65
Total	**741,719.77**	**714,020.99**

Loans repayable on demand includes the cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at March 31, 2026, the rate of interest across the cash credit and the working capital demand loans were in the range of 9.00% p.a. to 11.40% p.a. (9.00% p.a. to 11.50% p.a. on March 31, 2025). The Company has not defaulted in the repayment of the borrowings (including debt securities) and was regular in the repayments, including interests during the year.

Borrowings other than debt securities aggregating to INR 20,516.42 lakhs (INR 29,846.86 lakhs in March 31, 2025) has been guaranteed by promoter, Mr. D. Lakshmipathy.

The Company has used the borrowings from the bank and financial institution for the specified purpose as per the agreement with the lender.

The quarterly returns/statements of current assets filed by the Company with the banks or financial institutions in relation to the secured borrowings wherever applicable, are in agreement with the books of account.

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
18.1 Details of terms of redemption/repayment and security provided in respect of borrowings (other than debt securities)					
Term loans from banks					
Term Loan 1	Repayable in 18 quarterly instalments	60 Months	February 28, 2021	-	219.26
Term Loan 2	Repayable in 60 monthly instalments	60 Months	March 3, 2021	-	370.16
Term Loan 3	Repayable in 48 monthly instalments	48 Months	May 1, 2021	-	-
Term Loan 4	Repayable in 48 monthly instalments	48 Months	March 15, 2022	-	458.33
Term Loan 5	Repayable in 60 monthly instalments	60 Months	April 30, 2022	1,500.39	3,000.90
Term Loan 6	Repayable in 48 monthly instalments	48 Months	May 4, 2022	-	812.50
Term Loan 7	Repayable in 72 monthly instalments	74 Months	May 31, 2022	5,207.11	7,707.40
Term Loan 8	Repayable in 57 monthly instalments	60 Months	July 31, 2022	1,042.34	2,084.73
Term Loan 9	Repayable in 34 monthly instalments	36 Months	September 21, 2022	-	353.04
Term Loan 10	Repayable in 48 monthly instalments	48 Months	October 15, 2022	625.00	1,874.39
Term Loan 11	Repayable in 48 monthly instalments	48 Months	October 29, 2022	1,250.17	3,750.73
Term Loan 12	Repayable in 46 monthly instalments	48 Months	December 31, 2022	938.48	2,907.26
Term Loan 13	Repayable in 60 monthly instalments	60 Months	December 31, 2022	6,666.57	10,666.57
Term Loan 14	Repayable in 57 monthly instalments	60 Months	January 3, 2023	-	2,631.69
Term Loan 15	Repayable in 48 monthly instalments	48 Months	January 6, 2023	937.64	2,187.76
Term Loan 16	Repayable in 48 monthly instalments	48 Months	January 26, 2023	2,812.50	6,562.50
Term Loan 17	Repayable in 81 monthly instalments	84 Months	January 28, 2023	2,592.63	3,333.94
Term Loan 18	Repayable in 60 monthly instalments	66 Months	March 26, 2023	1,320.33	5,824.75
Term Loan 19	Repayable in 16 quarterly instalments	48 Months	March 28, 2023	1,874.04	4,374.51
Term Loan 20	Repayable in 12 quarterly instalments	36 Months	March 31, 2023	-	1,750.44
Term Loan 21	Repayable in 60 monthly instalments	60 Months	April 30, 2023	8,002.10	12,003.55
Term Loan 22	Repayable in 20 quarterly instalments	60 Months	June 30, 2023	3,999.53	6,000.24
Term Loan 23	Repayable in 16 quarterly instalments	48 Months	June 30, 2023	2,499.69	4,999.84
Term Loan 24	Repayable in 54 monthly instalments	60 Months	June 21, 2023	-	4,456.55
Term Loan 25	Repayable in 10 quarterly instalments	33 Months	July 29, 2023	-	900.23
Term Loan 26	Repayable in 19 quarterly instalments	60 Months	September 30, 2023	3,158.60	4,738.03
Term Loan 27	Repayable in 78 monthly instalments	84 Months	October 31, 2023	15,382.29	19,229.20
Term Loan 28	Repayable in 33 monthly instalments	36 Months	September 16, 2023	608.41	4,259.53
Term Loan 29	Repayable in 20 quarterly instalments	60 Months	September 30, 2023	1,350.31	1,950.47
Term Loan 30	Repayable in 60 monthly instalments	60 Months	July 31, 2023	2,250.00	3,249.23
Term Loan 31	Repayable in 60 monthly instalments	60 Months	July 28, 2023	2,596.17	3,386.14
Term Loan 32	Repayable in 60 monthly instalments	66 Months	January 30, 2024	8,995.27	22,497.14
Term Loan 33	Repayable in 60 monthly instalments	60 Months	July 31, 2023	4,500.86	6,501.32
Term Loan 34	Repayable in 20 quarterly instalments	60 Months	October 3, 2023	500.12	700.17

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
Term Loan 35	Repayable in 19 quarterly instalments	60 Months	February 29, 2024	7,923.99	11,105.92
Term Loan 36	Repayable in 60 monthly instalments	63 Months	December 31, 2023	2,666.95	3,667.38
Term Loan 37	Repayable in 60 monthly instalments	60 Months	October 5, 2023	-	7,043.66
Term Loan 38	Repayable in 60 monthly instalments	60 Months	January 7, 2024	-	7,088.34
Term Loan 39	Repayable in 60 monthly instalments	63 Months	January 27, 2024	2,722.55	3,727.56
Term Loan 40	Repayable in 60 monthly instalments	63 Months	January 27, 2024	2,722.55	3,727.56
Term Loan 41	Repayable in 60 monthly instalments	60 Months	October 31, 2023	5,000.97	7,001.38
Term Loan 42	Repayable in 45 monthly instalments	48 Months	December 31, 2023	2,815.18	8,037.38
Term Loan 43	Repayable in 78 monthly instalments	84 Months	May 31, 2024	36,854.86	42,945.77
Term Loan 44	Repayable in 19 quarterly instalments	60 Months	July 1, 2024	4,342.11	5,921.05
Term Loan 45	Repayable in 60 monthly instalments	60 Months	January 31, 2024	2,750.54	3,750.78
Term Loan 46	Repayable in 19 quarterly instalments	60 Months	October 1, 2024	14,210.53	18,947.37
Term Loan 47	Repayable in 23 quarterly instalments	72 Months	September 30, 2024	-	8,700.28
Term Loan 48	Repayable in 60 monthly instalments	60 Months	April 30, 2024	2,999.30	3,999.72
Term Loan 49	Repayable in 16 quarterly instalments	48 Months	June 28, 2024	4,999.52	7,500.00
Term Loan 50	Repayable in 60 monthly instalments	60 Months	April 7, 2024	5,998.83	7,999.51
Term Loan 51	Repayable in 60 monthly instalments	60 Months	April 29, 2024	600.00	800.00
Term Loan 52	Repayable in 60 monthly instalments	63 Months	July 27, 2024	3,250.61	4,251.08
Term Loan 53	Repayable in 60 monthly instalments	60 Months	July 27, 2024	9,100.00	11,900.00
Term Loan 54	Repayable in 12 quarterly instalments	36 Months	December 28, 2024	2,271.98	4,091.88
Term Loan 55	Repayable in 60 monthly instalments	60 Months	October 27, 2024	3,500.00	4,500.00
Term Loan 56	Repayable in 16 quarterly instalments	48 Months	December 27, 2024	3,124.71	4,375.00
Term Loan 57	Repayable in 60 monthly instalments	60 Months	October 31, 2024	8,751.72	11,252.63
Term Loan 58	Repayable in 24 monthly instalments	24 Months	November 16, 2024	2,042.68	5,546.04
Term Loan 59	Repayable in 60 monthly instalments	60 Months	November 25, 2024	3,583.33	4,583.33
Term Loan 60	Repayable in 60 monthly instalments	60 Months	January 31, 2025	9,376.85	11,877.59
Term Loan 61	Repayable in 78 monthly instalments	84 Months	June 30, 2025	13,695.13	15,064.82
Term Loan 62	Repayable in 78 monthly instalments	84 Months	August 30, 2025	32,900.84	34,382.95
Term Loan 63	Repayable in 84 monthly instalments	84 Months	April 27, 2025	17,142.86	20,000.00
Term Loan 64	Repayable in 15 quarterly instalments	48 Months	September 28, 2025	7,991.60	5,000.00
Term Loan 65	Repayable in 45 monthly instalments	48 Months	September 30, 2025	4,222.49	-
Term Loan 66	Repayable in 18 quarterly instalments	60 Months	March 1, 2026	2,368.36	-
Term Loan 67	Repayable in 19 quarterly instalments	60 Months	July 1, 2026	17,500.00	-
Term Loan 68	Repayable in 85 monthly instalments	84 Months	July 30, 2025	8,928.57	-
Term Loan 69	Repayable in 19 quarterly instalments	60 Months	September 30, 2025	8,542.60	-
Term Loan 70	Repayable in 16 quarterly instalments	48 Months	September 30, 2025	8,125.00	-

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
Term Loan 71	Repayable in 78 monthly instalments	84 Months	March 30, 2026	59,230.43	-
Term Loan 72	Repayable in 60 monthly instalments	60 Months	October 29, 2025	9,000.00	-
Term Loan 73	Repayable in 60 monthly instalments	60 Months	January 31, 2026	14,250.00	-
Term Loan 74	Repayable in 4 Half yearly instalments	36 Months	September 17, 2027	6,519.37	-
Term Loan 75	Repayable in 60 monthly instalments	60 Months	April 30, 2026	5,002.21	-
Total				**437,639.77**	**444,531.48**

All the above loans are secured by an exclusive first charge on book debts with security cover ranging from 1.10 to 1.25 times of the outstanding amount at any point in time.

As at March 31,2026, the rate of interest across term loans from banks was in the range of 7% p.a to 10.05% p.a (March 31, 2025- 8.00% p.a to 12.50% p.a).

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
Term loans from other financial institutions - Rupee Loans					
Term loans from others 1	Repayable in 48 monthly instalments	48 Months	December 5, 2022	1,425.02	3,565.02
Term loans from others 2	Repayable in 60 quarterly instalments	60 Months	May 5, 2023	-	3,102.63
Term loans from others 3	Repayable in 11 quarterly instalments	36 Months	July 1, 2023	-	1,907.05
Term loans from others 4	Repayable in 60 monthly instalments	60 Months	February 5, 2024	3,122.86	4,048.84
Term loans from others 5	Repayable in 48 monthly instalments	48 Months	February 5, 2024	3,458.78	5,346.45
Term loans from others 6	Repayable in 60 monthly instalments	60 Months	January 31, 2024	3,031.54	3,954.97
Term loans from others 7	Repayable in 21 quarterly instalments	63 Months	June 30, 2024	27,000.00	36,000.00
Term loans from others 8	Repayable in 20 quarterly instalments	60 Months	March 10, 2025	18,847.19	23,885.99
Term loans from others 9	Repayable in 20 quarterly instalments	60 Months	June 10, 2025	20,103.91	25,032.53
Term loans from others 10	Repayable in 19 quarterly instalments	58 Months	June 30, 2025	15,199.52	20,021.48
Term loans from others 11	Repayable in 48 monthly instalments	48 Months	May 5, 2025	7,752.98	5,004.44
Term loans from others 12	Repayable in 48 monthly instalments	48 Months	February 5, 2026	2,408.59	-
Term loans from others 13	Repayable in 11 quarterly instalments	36 Months	July 1, 2026	16,999.99	-
Total				**119,350.38**	**131,869.40**

All the above loans are secured by an exclusive first charge on book debts with security cover ranging from 1.10 to 1.25 times of the outstanding amount at any point in time.

As at March 31, 2026, the rate of interest across term loans from others was in the range of 8.00% p.a to 9.70% p.a (March 31, 2025- 9.00% p.a to 9.90% p.a)

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
Term loans from other financial institutions - External Commercial Borrowing					
External Commercial Borrowing-1	Repayable in 9 Half yearly instalments	60 months	February 12, 2027	47,657.18	-
Total				**47,657.18**	**-**

As at March 31, 2026, the rate of interest on External Commercial Borrowing was 5.91% p.a (March 31, 2025 - NIL).

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
Borrowings Under Securitization*					
Borrowings Under Securitization 1	Repayable in 57 Monthly instalments	57 Months	April 21, 2021	-	98.93
Borrowings Under Securitization 2	Repayable in 64 Monthly instalments	64 Months	January 17, 2023	1,516.01	2,989.58
Borrowings Under Securitization 3	Repayable in 58 Monthly instalments	58 Months	January 17, 2023	782.27	2,277.98
Borrowings Under Securitization 4	Repayable in 60 Monthly instalments	60 Months	January 18, 2023	2,232.53	5,998.55
Borrowings Under Securitization 5	Repayable in 64 Monthly instalments	64 Months	January 20, 2023	1,102.84	2,121.37
Borrowings Under Securitization 6	Repayable in 60 Monthly instalments	60 Months	April 22, 2023	7,074.76	14,938.63
Borrowings Under Securitization 7	Repayable in 60 Monthly instalments	64 Months	April 22, 2023	2,350.90	4,298.67
Borrowings Under Securitization 8	Repayable in 67 Monthly instalments	67 Months	October 19, 2023	4,948.81	7,806.99
Borrowings Under Securitization 9	Repayable in 68 Monthly instalments	68 Months	October 19, 2023	4,448.01	6,753.70
Borrowings Under Securitization 10	Repayable in 63 Monthly instalments	63 Months	October 19, 2023	13,398.92	21,544.28
Borrowings Under Securitization 11	Repayable in 62 Monthly instalments	62 Months	September 24, 2024	12,337.28	17,263.52
Borrowings Under Securitization 12	Repayable in 44 Monthly instalments	44 Months	October 15, 2024	6,278.43	11,997.97
Borrowings Under Securitization 13	Repayable in 52 Monthly instalments	52 Months	November 14, 2024	22,588.68	35,029.36
Borrowings Under Securitization 14	Repayable in 62 Monthly instalments	63 Months	October 16, 2025	56,687.80	-
Total				**135,747.24**	**133,119.53**

*Refer Note No 48-AH, 6 for security and credit enhancement details pertaining to borrowings from securitisation arrangements.

As at March 31, 2026, the rate of interest across loans from Securitisation was in the range of 8.15% p.a to 9.65% p.a (March 31, 2025- 8.90% p.a to 9.90% p.a)

Particulars	Repayment terms	Tenor	Earliest installment date	As at March 31, 2026	As at March 31, 2025
Term loans from others parties (unsecured) - (External Commercial Borrowing)					
External Commercial Borrowing-1	Repayable in 5 half yearly instalments	60 months	March 31, 2025	3,786.90	6,838.85
Total				**3,786.90**	**6,838.85**

As at March 31, 2026, the rate of interest on External Commercial Borrowing was 4.20% p.a (March 31, 2025 - 4.20% p.a).

Particulars	As at March 31, 2026	As at March 31, 2025
19. Other financial liabilities		
Unpaid dividends	7.03	-
Lease Liability (Refer Note: 38)	6,013.39	5,724.38
Employee related payables	4,410.63	3,657.00
Others	155.43	82.58
Total	**10,586.48**	**9,463.96**
20. Provisions		
Provision for employee benefits		
Provision for gratuity (Refer Note:41)	1,422.79	1,724.74
Provision for compensated absences	2,310.74	1,718.76
Total	**3,733.53**	**3,443.50**
21. Other non-financial liabilities		
Statutory dues payable	1,514.99	1,945.16
Others*	443.98	42.00
Total	**1,958.97**	**1,987.16**

*Includes unspent corporate social responsibility fund amounting to INR 443.98 lakhs (March 31, 2025 - INR 42.00 lakhs) pertaining to the shortfall for the year ended March 31, 2026 and March 31, 2023.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount in INR Lakhs	Number of shares	Amount in INR Lakhs
22. Equity share capital				
Authorised				
55,00,00,000 shares (March 31, 2025 - 55,00,00,000) of INR 1 each		5,500.00		5,500.00
Issued, subscribed and fully paid				
29,51,75,278 shares (March 31, 2025 - 29,44,27,100) of INR 1 each		2,951.75		2,944.27
Total		**2,951.75**		**2,944.27**
Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year				
As at the beginning of the year	294,427,100	2,944.27	292,449,220	2,924.49
Equity Shares issued in exercise of employee stock options	438,178	4.38	1,977,880	19.78
Preferential issue of equity shares	310,000	3.10	-	-
As at the end of the year	**295,175,278**	**2,951.75**	**294,427,100**	**2,944.27**

Terms/rights attached to Equity Shares:

The Company has a single class of equity shares. Each holder is entitled to one vote per equity share. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity Shares reserved for issue under options

Information relating to Employee Stock Option Schemes including the details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 42.

As at March 31, 2026					
Name of Promoter	Number of Shares at the begnning of the year	Movement during the year	Numbers of Shares at the end of the year	% of Total Shares	% of Change during the year
Promoter Holdings					
Fully paid up shares					
(i) D. Lakshmipathy	30,767,330	260,000	31,027,330	10.51%	0.85%
(ii) L. Hema	20,890,600	300,000	21,190,600	7.18%	1.44%
(iii) L. Shritha	200,000	100,000	300,000	0.10%	50.00%
Total	**51,857,930**	**660,000**	**52,517,930**	**17.79%**	**1.27%**

As at March 31, 2025					
Fully paid up shares					
(i) D. Lakshmipathy	30,690,678	76,652	30,767,330	10.45%	0.25%
(ii) L. Hema	20,890,600	-	20,890,600	7.10%	-
(iii) L. Shritha	200,000	-	200,000	0.07%	-
(iv) Matrix Partners India Investment Holding II LLC*	4,647,890	(4,647,890)	-	0.00%	-100.00%
(v) Peak XV Partners Investments V (earlier known as SCI Investments V)*	18,277,542	(9,740,937)	8,536,605	2.90%	-53.29%
Total	**74,706,710**	**(14,312,175)**	**60,394,535**	**20.51%**	**-19.16%**

The determination/identification of promoters for the purpose of presentation under this disclosure has been done on the basis of information available with the Company.

* Reclassified from Promoter to Public Shareholder w.e.f August 21, 2025

Basis the approval of the shareholders on September 13, 2024, the Company issued 4,10,000 convertible share warrants amounting to INR 3,157 lakhs (Including a premium of INR 769 per warrant) on a preferential basis, which will be converted into equity shares in the ratio of 1:1.

The Company fully allotted the share warrants upon receipt of 25% of the proceeds on October 24, 2024. During the year ended March 31, 2026, 3,10,000 warrants were exercised by the employees and equity shares were allotted. Subsequent to the year end, 1,00,000 warrants have not been exercised and consequentially lapsed upon expiry of 18 months.

The Board of Directors of the Company have recommended a final dividend of INR 2.00 per share, (200% on the face value of Re 1/-) for the year ended March 31, 2026 which is subject to approval of the shareholders.

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of total shares in class	Number of shares	% of total shares in class
Details of shareholders holding more than 5% shares in the Company				
D. Lakshmipathy	31,027,330	10.51%	30,767,330	10.45%
HDFC Mutual Fund	22,079,081	7.48%	12,095,891	4.11%
L. Hema	21,190,600	7.18%	20,890,600	7.10%
Sirius II Pte Ltd	17,593,990	5.96%	17,593,990	6.02%

Particulars	As at March 31, 2026	As at March 31, 2025
23. Other Equity		
Share application money pending allotment	0.02	-
Money received against the share warrants	192.50	789.25
Statutory reserve	99,325.56	77,350.65
Share options outstanding account	2,821.14	3,335.93
Securities premium	243,433.32	239,535.01
General reserve	719.60	719.60
Retained earnings	388,772.30	306,114.64
Effective portion of Cashflow Hedges	(200.83)	(328.68)
Total	**735,063.61**	**627,516.40**
i. Statutory reserve		
Opening balance	77,350.65	55,900.85
Amount transferred from surplus in the statement of profit and loss	21,974.91	21,449.80
Closing balance	**99,325.56**	**77,350.65**

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of INR 21,974.91 lakhs (March 31, 2025: INR 21,449.80 lakhs), out of the profit after tax for the year ended March 31, 2026 to statutory reserves.

Five-Star Housing Finance Private Limited, the wholly owned subsidiary amalgamated with the Company with appointed date under the aforesaid Scheme as April 1, 2019. The erstwhile wholly owned subsidiary has surrendered its Certificate of Registration to carry on the business of housing finance institution to National Housing Bank (NHB) on June 5, 2020. The statutory reserves maintained by the wholly owned subsidiary under section 29C of the National Housing Bank Act, 1987 was subsumed in the statutory reserves maintained by the Company.

No appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

Particulars	As at March 31, 2026	As at March 31, 2025
ii. Share options outstanding account		
Opening balance	3,335.93	5,634.70
Share based payment expense	642.33	1,776.92
Less : Transfer to securities premium	(1,157.12)	(4,075.69)
Closing balance	**2,821.14**	**3,335.93**

The amount represents reserve created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Also refer note 42.

Particulars	As at March 31, 2026	As at March 31, 2025
iii. Securities premium		
Opening balance	239,535.01	234,158.90
Premium received on shares issued during the year	2,741.19	1,300.42
Transfer to securities premium on exercise of ESOP	1,157.12	4,075.69
Closing balance	**243,433.32**	**239,535.01**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. During the year ended March 31, 2026, securities premium was utilised to the extent of INR NIL lakhs (March 31, 2025 - INR NIL lakhs) towards share issue expenses, in line with Section 52 of the Companies Act 2013.

Particulars	As at March 31, 2026	As at March 31, 2025
iv. General reserve		
Opening balance	719.60	719.60
Movement	-	-
Closing balance	**719.60**	**719.60**

General reserve is a free reserve which can be utilised for any purpose as may be required.

v. Retained earnings		
Opening balance	306,114.64	220,608.74
Profit for the year	109,874.53	107,248.99
Less: Transfer to Statutory reserve	(21,974.91)	(21,449.80)
Less: Re-measurements of defined benefit plan	647.02	(293.29)
Less: Dividend paid	(5,888.98)	-
Closing balance	**388,772.30**	**306,114.64**

Retained earnings are the profits/(loss) that the Company has earned/incurred till March 31, 2026, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date. The amount that can be distributed by the Company as dividends to its Equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013 and the regulations of Reserve Bank of India.

vi. Effective portion of Cashflow Hedges		
Opening balance	(328.68)	(331.81)
Additions	127.85	3.13
Closing balance	**(200.83)**	**(328.68)**

Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
24. Interest income		
On financial assets measured at amortised cost		
Interest on loans	303,009.60	269,292.32
Interest on deposits with banks	8,411.32	6,369.49
Interest on Investment in Government Securities	1,491.30	965.91
Total	**312,912.22**	**276,627.72**

25. Fees and commission income		
Legal and inspection fees	1,615.25	1,258.85
Others charges	3,039.43	1,957.67
Total	**4,654.68**	**3,216.52**

Other Charges comprises of charges collected from the customers in the nature of document handling charges, cheque dishonour charges and other charges as applicable.

All services that generate revenue from contract with customer are rendered at a point in time and are rendered in India.

26. Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss (FVTPL)		
On trading portfolio		
Mutual fund investments	4,245.45	4,939.72
Total	**4,245.45**	**4,939.72**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair value changes		
Realised	4,245.45	4,939.72
Unrealised	-	-
Total	**4,245.45**	**4,939.72**
27. Other Income		
Recovery of assets written off	1,669.58	1,120.19
Other non-operating income	1,115.24	698.24
Total	**2,784.82**	**1,818.43**
28. Finance costs (On financial liabilities measured at amortised cost)		
Interest on borrowings		
- term loans from banks	40,608.73	35,923.69
- cash credits and overdraft	0.88	9.88
- securitisation	12,702.07	11,661.63
- term loans from others	12,529.77	11,620.63
Interest on debt securities	7,263.82	7,037.16
Other borrowing cost	77.91	95.94
Interest on lease liability	535.56	449.14
Total	**73,718.74**	**66,798.07**
29. Impairment on financial instruments On financial assets measured at amortised cost		
Impairment loss allowance on loans*	21,631.72	8,896.52
Total	**21,631.72**	**8,896.52**

*Includes write-off of INR 16,648.30 lakhs for the year ended March 31, 2026 (for the year ended March 31, 2025 INR 5,421.37 lakhs).

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
30. Employee benefits expenses		
Salaries and wages	55,806.79	45,255.79
Contribution to Provident and Other funds (refer note 41)	4,603.88	3,725.45
Employee stock option expenses	642.33	1,776.92
Staff welfare expenses	1,935.77	1,352.31
Total	**62,988.77**	**52,110.47**
31. Depreciation and amortization		
Depreciation on property, plant and equipment (Refer note 12)	1,297.69	1,192.02
Amortisation of intangible assets (Refer note 14)	317.51	275.10
Depreciation on right of use asset (Refer note 38)	2,089.47	1,570.79
Total	**3,704.67**	**3,037.91**
32. Other expenses		
Rent expense	425.13	219.25
Rates and taxes	325.29	252.34
Electricity expenses	364.90	299.20
Repairs and maintenance	897.65	874.29
Communication costs	1,681.33	1,395.01
Printing and stationery	808.70	638.86
Advertisement and publicity	20.87	33.72
Directors fees, allowances and expenses	135.65	107.91
Auditor's fees and expenses (Refer note 32.1)	135.00	133.00
Legal and professional charges	3,235.32	1,780.48

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Insurance	35.45	15.24
Corporate social responsibility expenses (Refer note 32.2)	2,234.18	1,703.68
Travel expenses	1,203.86	1,528.22
Information technology expenses	4,250.98	3,243.88
Loss on sale of property, plant and equipment	6.58	8.17
Bank charges	456.85	400.73
Miscellaneous expenses	53.83	66.01
Total	**16,271.57**	**12,699.99**

32.1. Auditor's fees and expenses (excluding taxes)

Statutory audit and certificates	83.00	83.00
Limited reviews (refer note below)	45.00	40.00
Tax audit	2.00	2.00
Reimbursement of expenses (refer note below)	5.00	8.00
Total	**135.00**	**133.00**

Includes remuneration amounting to INR 10.00 Lakhs towards limited review and INR 6.07 lakhs towards reimbursement of expenses paid to the erstwhile auditors of the Company during the FY 2024 - 25.

32.2. Corporate social responsibility expenses (CSR)

(a) Amount required to be spent by the Company during the year	2,234.18	1,702.82
(b) Amount of expenditure incurred during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1,790.20	1,703.68
(c) Shortfall at the end of the year	443.98	-
(d) Total of previous shortfall*	-	41.93
(e) Reason for shortfall	*	Not Applicable
(f) Nature of CSR activities	Contribution towards projects in the domain of education and healthcare	Contribution towards projects in the domain of education and healthcare
(g) Details of related party transactions	Nil	Nil

*The amount categorised as shortfall for the year ended March 31, 2026 aggregating to INR 443.98 Lakhs, is towards the ongoing projects under the activities mentioned in Schedule VII of the Companies Act, 2013 and the same was approved by the CSR Committee at its meeting held on March 17, 2026.

Details of ongoing projects

In case of S. 135(6) (Ongoing Project)

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year from		Closing Balance	
	With Company	In Separate CSR Unspent A/c		Company's bank A/c	Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2022-23	-	42.00	-	-	42.00	-	42.00
2025-26	-	-	443.98	-	-	-	443.98

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
33. Income tax		
i. Current tax		
In respect of current year	36,503.91	37,160.64
Total	**36,503.91**	**37,160.64**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
ii. Deferred tax		
Attributable to-		
Origination and reversal of temporary differences	(96.74)	(1,350.20)
Total	**(96.74)**	**(1,350.20)**
Tax expense (i)+(ii)	**36,407.17**	**35,810.44**
33.1. Deferred tax related to the items recognised in other comprehensive income during the year		
Tax impact on:		
Re-measurements of the defined benefit plan	(217.61)	98.64
The effective portion of gain and loss on hedging instruments in a cash flow hedge	(43.00)	(1.05)
Deferred tax charged to Other Comprehensive Income	**(260.61)**	**97.59**
33.2. Reconciliation of total tax expense		
Profit before tax	146,281.70	143,059.43
Applicable tax rate	25.17%	25.17%
Computed tax expense	36,816.18	36,005.20
Tax effect of:		
Permanent Differences		
Deduction u/s 80JJAA of the Income Tax Act, 1961	(738.80)	(640.75)
Disallowance related to CSR expenditure	562.30	428.57
Others	(232.51)	17.42
Income tax expense recognised in statement of profit and loss	**36,407.17**	**35,810.44**
Effective tax rate	**24.89%**	**25.03%**

Particulars	Opening Balance	Recognised in profit of loss	Recognised in other comprehensive income	Closing Balance
34. Reconciliation of deferred tax assets / (liability):				
The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense				
For the year ended March 31, 2026 :				
Difference between written down value of Property plant & equipment and intangible assets as per books of accounts and income tax	383.44	11.25	-	394.69
Employee benefits expenses	1,222.69	677.16	(217.61)	1,682.24
Effective portion of cash flow hedges	110.54	-	(43.00)	67.54
Impairment on financial instruments	2,574.41	(616.75)	-	1,957.66
Impact of effective interest rate adjustment on financial assets	4,841.69	296.12	-	5,137.81
Impact of effective interest rate adjustment on financial liabilities	(496.46)	(148.06)	-	(644.52)
Recognition of lease liabilities and right to use asset	84.77	(122.97)	-	(38.20)
Total	**8,721.08**	**96.74**	**(260.61)**	**8,557.22**
For the year ended March 31, 2025 :				
Difference between written down value of Property plant & equipment and intangible assets as per books of accounts and income tax	240.98	142.46	-	383.44
Employee benefits expenses	1,239.95	(115.90)	98.64	1,222.69
Effective portion of cash flow hedges	111.59	-	(1.05)	110.54
Impairment on financial instruments	2,331.96	242.45	-	2,574.41
Impact of effective interest rate adjustment on financial assets	4,037.11	804.58	-	4,841.69
Impact of effective interest rate adjustment on financial liabilities	(734.08)	237.62	-	(496.46)
Recognition of lease liabilities and right to use asset	45.78	38.99	-	84.77
Total	**7,273.29**	**1,350.20**	**97.59**	**8,721.08**

Particulars	As at March 31, 2026	As at March 31, 2025

35. Commitments

Estimated amount of contracts remaining to be executed on capital account (net off capital advances)

406.00 83.51

and not provided for

36. Contingent liabilities

Claims against the Company not acknowledged as debt		
- Goods and Service Tax related matters (excluding penalties and interest)	27.55	24.93

Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at the respective forum/authority. Management is hopeful of successful outcome in the appellate proceedings. The Company is advised that the cases are likely to be disposed off in favour of the Company and hence no provision is considered necessary therefore.

37. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is as follows.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period		
Principal	118.62	115.36
Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

38. Leases

The Company has taken office premises on lease for its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

i). Movement in carrying value of right of use assets

Opening Balance	**5,510.10**	**3,407.75**
Additions during the year	2,404.74	3,790.65
Depreciation	(2,089.47)	(1,570.79)
Derecognition on termination of leases	(216.52)	(117.51)
Closing Balance	**5,608.85**	**5,510.10**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
ii). Movement in lease liabilities		
Opening Balance	**5,724.38**	**3,599.93**
Additions during the year	2,419.73	3,736.49
Interest on lease liabilities	535.56	449.14
Lease payments	(2,428.77)	(1,931.80)
Derecognition on termination of leases	(237.51)	(129.38)
Closing Balance	**6,013.39**	**5,724.38**
iii). Amounts recognised in statement of profit and loss		
Rent expense on short term leases (Refer note 32)	425.13	219.25
Interest on lease liabilities (Refer note 28)	535.56	449.14
Depreciation on Right of use asset	2,089.47	1,570.79
Gain recognised on derecognition on termination of leases	(20.98)	(11.87)
iv). Future lease commitments		
Future undiscounted lease payments to which leases is not yet commenced	-	-
v). Cash flows		
Total cash outflow for leases	2,853.90	2,151.05
vi). Maturity analysis of undiscounted lease liabilities		
Not later than one year	2,431.32	2,014.28
Later than one year and not later than five years	4,059.24	4,097.75
Later than five years	590.64	851.40

39. Earnings per share

Profit after tax	109,874.53	107,248.99
Weighted Average Number of Equity Shares in calculation of basic earnings per share	294,495,300	292,936,920
Dilution on account of ESOP and partly-paid up shares	470,864	878,402
Weighted Average Number of Equity Shares in calculation of diluted earnings per share	294,966,164	293,815,323
Face value per share (INR)	1.00	1.00
Basic earnings per share (INR)	37.31	36.61
Diluted earnings per share (INR)	37.25	36.50

40. Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chairman and Managing Director ('CMD') to make decisions about resources to be allocated to the segments and assess their performance. The CMD is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 Operating Segments.

The CDM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The Company is primarily engaged in providing loans for business purposes, house renovation / extension purposes and other mortgage purposes. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments. Accordingly, amounts appearing in these financial statements relates to small business loans and loans for house renovations / extensions etc.

The Company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per Ind AS 108 Operating Segments.

41. Employee benefits - post employment benefit plans

A. Defined contribution plans

The Company makes provident fund and employee state insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 2,827.12 lakhs (year ended March 31, 2025 - INR 2,290.08 lakhs) for provident fund contributions, and INR 502.99 lakhs (year ended March 31, 2025 - INR 524.13 lakhs) for employee state insurance scheme contributions (refer note 30) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans

Gratuity

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and Code on Social Security, 2020. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/resignation date. The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk. These are discussed as follows:

Actuarial risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

Market risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Funding:

The Company has funded their gratuity liability with the Five-Star Business Finance Limited Employees Gratuity Fund. Gratuity provision has been made based on the actuarial valuation.

Reconciliation of net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Present value of obligations	3,759.50	3,542.96
Fair value of plan assets	(2,336.71)	(1,818.22)
Liability recognised in the balance sheet	**1,422.79**	**1,724.74**

Particulars	As at March 31, 2026	As at March 31, 2025
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	3,542.96	2,488.63
Benefits paid	(308.92)	(254.42)
Current service cost	954.80	844.57
Past service cost	243.46	-
Interest cost	222.11	177.81
Actuarial (gain)/loss recognized in other comprehensive income		
changes in demographic assumptions	(281.56)	-
changes in financial assumptions	(465.09)	115.45
experience adjustments	(148.26)	170.92
Balance at the end of the year	**3,759.50**	**3,542.96**
Expense recognized in profit or loss		
Current service cost	954.80	844.57
Past service cost	243.46	-
Net Interest cost	109.76	57.80
Total	**1,308.02**	**902.37**
Remeasurements recognized in other comprehensive income		
Actuarial (gain)/loss on defined benefit obligation		
changes in demographic assumptions	(281.56)	-
changes in financial assumptions	(465.09)	115.45
experience adjustments	(148.26)	170.92
Return on plan assets excluding interest income	30.28	105.56
Total	**(864.63)**	**391.93**
Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	1,818.22	1,679.71
Expected return on plan assets	112.35	120.01
Contributions	700.00	350.00
Benefits paid and charges deducted from the fund	(263.58)	(225.94)
Return on plan assets, excluding amount recognised in net interest expense	(30.28)	(105.56)
Fair value of plan assets as at the end of the year	**2,336.71**	**1,818.22**
Net defined benefit (asset)/liability	**1,422.79**	**1,724.74**
Actuarial assumptions		
Discount rate	6.50%	6.50%
Future salary growth	12.00%	15.00%
Attrition rate		
Management	10.00%	25.00%
Non-Management	30.00%	25.00%
Mortality Rate	100% Indian Assured Lives Mortality (2012-14)	100% Indian Assured Lives Mortality (2012-14)
Retirement age	58	58

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sensitivity Analysis		
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:		
Discount rate		
-1% increase	(144.55)	(174.89)
-1% decrease	155.47	191.82
Attrition rate		
-1% increase	(45.14)	(80.22)
-1% decrease	47.43	74.48
Future salary growth		
-1% increase	138.24	155.94
-1% decrease	(132.17)	(164.88)
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown		
Additional Disclosures required under Ind AS 19		
Average Duration of Defined Benefit Obligations (in Years)	4.00	5.00
Projected undiscounted expected benefit outgo		
Year 1	762.00	523.20
Year 2	751.07	527.24
Year 3	677.06	552.77
Year 4	602.73	527.01
Year 5	500.16	482.56
Next 5 Years	1,736.36	2,611.74
Expected benefit payments for the next annual reporting year	762.00	523.20
The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:		
Insured funds: 100%		
Others: Nil		

42. Share Based Payments

A. Description of schemes

The decision to introduce Five-Star Associate Stock Option Scheme, 2015 (hereinafter called “FIVE-STAR ASOP, 2015”) was taken by the Board of Directors at the meeting held on September 18, 2015 and was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on April 12, 2016. The total options issuable under the plan are upto 56,30,000 options.

Later, the Board of Directors issued another scheme, named Five-Star Associate Stock Option Scheme, 2018 (hereinafter called “FIVE-STAR ASOP, 2018”) at their meeting held on February 28, 2018 and was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on March 26, 2018. The total options issuable under the plan are upto 50,00,000 options.

During the year ended March 31, 2024, the Company introduced a new employee stock option scheme in the name of Five-Star Associate Stock Option Scheme, 2023 with quantum of 30,00,000 equity shares. The exercise price per option shall be latest available closing price on recognized stock exchange having the higher trading volume on the date immediately prior to the date of grant and included in the grant letter. The Company has granted 15,000 options under this scheme during the year ended March 31, 2026 (25,25,000 options during the year ended March 31, 2025).

Nomination and Remuneration Committee constituted by the Board of Directors of the Company administers the plans. Under these plans, the participants are granted options which vest as per the schedule provided in the grant letter given to each of the participants. The time period for exercise of these options is defined in the scheme document.

Particulars	For the year ended March 31, 2026 Weighted average exercise price per option	Number of options	For the year ended March 31, 2025 Weighted average exercise price per option	Number of options
B. Reconciliation of outstanding share options				
Outstanding at beginning of year	521.16	3,378,460	68.51	2,999,230
Forfeited during the year	692.24	1,031,232	639.58	167,890
Exercised during the year	82.54	438,178	66.75	1,977,880
Granted during the year	796.95	15,000	710.75	2,525,000
Outstanding as at end of year	531.50	1,924,050	521.16	3,378,460
Exercisable Options	**58.55**	**429,050**	**68.33**	**695,402**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2026 is INR 428.33 per share (March 31, 2025: INR 711.59 per share)

Particulars	As at March 31, 2026	As at March 31, 2025
For the options outstanding at the end of the year:		
Weighted average remaining contractual life (in years)	4.87	5.80
Range of exercise prices (INR)	1 - 796.95	1 - 710.75

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
C. Expense recognised in the statement of profit and loss		
Expense arising from equity-settled share-based payment transactions	642.33	1,776.92

D. Measurement of fair values

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. The various inputs considered in the pricing model for the stock options granted by the Company during the year are as follows:

Share price on Grant date (INR)	796.95	710.75
Weighted average share price (INR)	796.95	710.75
Exercise price (INR)	796.95	710.75
Fair value of options at grant date (INR)	284.56 ; 347.92	259.74 ; 320.27
Expected volatility*	29.28% ; 28.93%	28.60% ; 27.91%
Option term	3 years; 5 years	3 years; 5 years
Expected dividends	NIL	NIL
Risk free interest rate	6.24% ; 6.29%	6.90% ; 6.94%

*The Company was recently listed on the stock exchange, and hence, there is no appropriate past share price volatility data. Therefore, the volatility has been determined based on the observed historical volatility of listed competitors / comparable companies.

43. Related party disclosures

a. Name of the related parties and nature of relationship:

Key Management Personnel :

D. Lakshmipathy, Chairman and Managing Director

K. Rangarajan, Chief Executive Officer upto August 17, 2024 and Chief Executive Officer & Joint Managing Director from August 17, 2024 upto August 14, 2025

G. Srikanth, Chief Financial Officer upto August 17, 2024 and Chief Financial Officer & Joint Managing Director from August 17, 2024

B. Shalini, Company Secretary (upto February 26, 2025)

Vigneshkumar. S. M, Company Secretary (from February 27, 2025)

Bhama Krishnamurthy, Independent Director (upto April 11, 2026)

T.T. Srinivasaraghavan, Independent Director

V. Thirulokchand, Non-executive Director

R. Anand, Independent Director

Vikram Vaidyanathan, Non- Executive Director (upto April 30, 2024)

G. V. Ravishankar, Non- Executive Director (upto April 30, 2024)

Ramkumar Ramamoorthy, Independent Director

Rajeshwari Shankar, Independent Director (from February 02, 2026)

Director and relative of Key Management Personnel / Director

Hema Lakshmipathy, wife of D. Lakshmipathy

Shritha Lakshmipathy, Daughter of D. Lakshmipathy

Entities with Significant Influence over the Company

Matrix Partners India Investment Holding II LLC (upto April 30, 2024)

Peak XV Partners Investments V (earlier known as SCI Investments V) (upto April 30, 2024)

Post Employment Benefit Funds

Five-Star Business Finance Limited Employees Gratuity Fund

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
b. Key management personnel (KMP) compensation		
Short-term employee benefits		
D. Lakshmipathy	1,040.27	1,037.06
K.Rangarajan	146.22	381.46
G.Srikanth	217.93	217.68
B.Shalini	-	44.72
Vigneshkumar. S. M	28.09	1.62
Post employment benefits		
D Lakshmipathy	0.22	0.22
K Rangarajan	0.09	0.22
G Srikanth	0.22	0.22
B Shalini	-	0.20
Vigneshkumar. S. M	0.22	0.02
Share based payments		
K Rangarajan	(372.99)	586.50
G Srikanth	301.20	399.25
B Shalini	-	(3.91)
c. Details of related party transactions		
Issue of shares		
D. Lakshmipathy	2.60	-
K Rangarajan	-	17.38
G Srikanth	3.30	1.30
B Shalini	-	0.05
Securities Premium*		
D. Lakshmipathy	1,999.40	-
K Rangarajan	-	1,154.58
G Srikanth	570.53	86.37
B Shalini	-	7.74
*excludes transfer from Share Based Payment reserve to Securities Premium on exercise of employee stock options		
Directors sitting fees		
R Anand	11.90	9.40
Bhama Krishnamurthy	11.90	9.40
V Thirulokchand	5.00	4.40
T T Srinivasaraghavan	9.40	7.60
Ramkumar Ramamoorthy	10.50	8.20
Rajeshwari Shankar	0.75	-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Commission to Directors		
R Anand	15.00	12.00
Bhama Krishnamurthy	15.00	12.00
V Thirulokchand	15.00	12.00
T T Srinivasaraghavan	15.00	12.00
Ramkumar Ramamoorthy	15.00	12.00
Payment towards gratuity fund		
Five-Star Business Finance Limited Employees Gratuity Fund	700.00	1,807.60
Receipts from gratuity fund		
Five-Star Business Finance Limited Employees Gratuity Fund	263.58	227.06

Managerial remuneration above does not include gratuity and compensated absences, since the same are provided on actuarial basis for the Company as a whole and the amount attributable to the key managerial personnel cannot be ascertained separately.
Compensation to independent and non-executive directors represent commission and sitting fees paid.

d. Balance with Related Parties

Employee Benefits Payable		
D Lakshmipathy	413.28	252.10
K Rangarajan	-	90.90
G Srikanth	84.92	51.80
Director Commission Payable		
R Anand	13.50	10.80
Bhama Krishnamurthy	13.50	10.80
V Thirulokchand	13.50	10.80
T T Srinivasaraghavan	13.50	10.80
Ramkumar Ramamoorthy	13.50	10.80

In addition to the above note, the debt securities and borrowings other than debt securities aggregating to INR 20,891.36 lakhs (INR 30,220.19 lakhs as at March 31, 2025) has been guaranteed by the promoter, Mr. D. Lakshmipathy.

44. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reporting period.

Capital management

The primary capital management objective is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years with regard to capital management. However, they are under constant review by the Board.

Particulars	As at March 31, 2026	As at March 31, 2025
i. Net Debt to Equity Ratio		
Consistent with the others in industry, the Company monitors the capital on the basis of gearing ratio (Net Debt divided by Equity). Under the terms of the major borrowing facilities, the Company is required to maintain the gearing ratio in line with the RBI guidelines or in a slightly more conservative manner. The actual gearing stipulated differs between the various lending agreements. The Company has complied with this covenant through out the year.		
Total Equity (A)	738,015.36	630,460.67
Debt Securities (B)	78,323.23	78,178.40
Borrowings other than Debt Securities (C)	741,719.77	714,020.99
Cash and Cash equivalents (D)	161,789.52	149,716.05
Net Debt (E = B+ C - D)	**658,253.48**	**642,483.34**
Net Debt to Equity Ratio (F = E / A)	**0.89**	**1.02**
ii. Regulatory capital		
The Company has to mandatorily comply with the capital adequacy requirements stipulated by Reserve Bank of India from time to time. Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing Company's Tier I and Tier II capital by risk weighted assets.		
Tier I Capital	665,182.02	577,253.82
Tier II Capital	-	-
Total Capital	**665,182.02**	**577,253.82**
Total Risk Weighted Assets	1,281,905.91	1,152,170.65
Capital Ratios		
CRAR - Tier I Capital%	51.89	50.10
CRAR - Tier II Capital%	-	-
CRAR%	51.89	50.10
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

The Company has CRAR of 51.89% as of March 31, 2026 as against the CRAR of 15% mandated by RBI.

Tier I capital comprises of shareholders' equity and retained earnings. Tier II Capital comprises of general provision and loss reserves (12 month expected credit losses). Credit enhancement relating to securitisation transactions have been reduced from Tier I and Tier II capital in accordance with RBI circular DOR.CAP.REC.264/21-01-002/2025-26 dated November 28, 2025 . Tier I and Tier II Capital have been reported based on Financial Statements of the Company and as prescribed by RBI guidelines. Risk weighted assets represents the weighted sum of Company's credit exposures based on their risk as prescribed by RBI guidelines.

45. Fair Value Measurement

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosures are provided in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

The Following methodologies and and assumptions were used to estimate the fair values of the financial assets or liabilities

i) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product

ii) The fair value of Debt securities, Borrowings other than Debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting rates.

iii) The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs

iv) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.

v) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.

Particulars	Level 1	Level 2	Level 3	Total
Fair Value of financial instruments recognised and measured at fair value				
As at March 31, 2026				
Financial Assets:				
Derivative Financial Instruments	-	6,165.94	-	6,165.94
Financial Liabilities:				
Derivative Financial Instruments	-	-	-	-
As at March 31, 2025				
Financial Assets:				
Derivative Financial Instruments	-	676.16	-	676.16
Financial Liabilities:				
Derivative Financial Instruments	-	964.12	-	964.12

46. Financial instruments by category

Particulars	Carrying amount			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying value
The carrying value and fair value of financial instruments by categories as of March 31, 2026 were as follows:				
Financial assets:				
Cash and cash equivalents	161,789.52	-	-	161,789.52
Bank balances other than cash and cash equivalents	53,105.57	-	-	53,105.57
Loans	1,298,477.61	-	-	1,298,477.61
Investments	22,713.60	-	-	22,713.60
Derivative financial instruments	-	-	6,165.94	6,165.94
Other financial assets	7,914.78	-	-	7,914.78
Total	**1,544,001.08**	**-**	**6,165.94**	**1,550,167.02**
Financial liabilities:				
Trade payables	3,180.88	-	-	3,180.88
Debt securities	78,323.23	-	-	78,323.23
Borrowings (Other than debt securities)	741,719.77	-	-	741,719.77
Other financial liabilities	10,586.48	-	-	10,586.48
Total	**833,810.36**	**-**	**-**	**833,810.36**
The carrying value and fair value of financial instruments by categories as of March 31, 2025 were as follows:				
Financial assets:				
Cash and cash equivalents	149,674.05	-	-	149,674.05
Bank balances other than cash and cash equivalents	65,839.86	-	-	65,839.86
Loans	1,168,679.03	-	-	1,168,679.03
Investments	21,222.30	-	-	21,222.30
Derivative financial instruments	-	-	676.16	676.16
Other financial assets	8,113.00	-	-	8,113.00
Total	**1,413,528.24**	**-**	**676.16**	**1,414,204.40**
Financial liabilities:				
Derivative financial instruments	-	-	964.12	964.12
Trade payables	2,671.86	-	-	2,671.86
Debt securities	78,178.40	-	-	78,178.40
Borrowings (Other than debt securities)	714,020.99	-	-	714,020.99
Other financial liabilities	9,463.96	-	-	9,463.96
Total	**804,335.21**	**-**	**964.12**	**805,299.33**

For all the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair value, except as stated below. Such estimation is determined based on inputs where one or more unobservable input is significant to the measurement of the instrument as a whole (level 3), except for cash and cash equivalents and bank balances other than cash and cash equivalents where such estimation is determined based on unadjusted quoted prices from active markets for identical assets (level 1). The fair value of investment, Loans, debt securities and borrowings other than debt securities as at March 31, 2026 amounted to INR 23,027.60 lakhs, INR 13,39,075.39 lakhs, INR 80,587.59 lakhs and INR 7,43,251.22 lakhs respectively.(As at March 31, 2025 amounted to INR 21,466.86 lakhs, INR 12,06,320.13 lakhs, INR 78,491.57 lakhs and INR 7,13,942.65 lakhs respectively). There is no transfers between different levels during the year.

Particulars	As at March 31, 2026	As at March 31, 2025
Transfer of financial assets		
The following table provides the summary of financial assets that have been transferred in such a way that the part or all of the transferred financial assets does not qualify for derecognition, together with the associated liabilities.		
The Company has securitised certain loans, however the Company has not transferred substantially the risks and rewards, hence these assets have not been derecognised in its entirety.		
Carrying amount of assets measured at amortised cost	175,640.43	159,302.96
Carrying amount of associated liabilities	135,280.23	132,592.88
Fair value of assets	175,457.67	160,266.57
Fair value of associated liabilities	136,347.41	132,360.03

47. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	161,789.52	-	161,789.52	149,674.05	-	149,674.05
Bank balances other than cash and cash equivalents	45,708.78	7,396.79	53,105.57	60,647.72	5,192.14	65,839.86
Loans	219,711.68	1,078,765.93	1,298,477.61	189,675.05	979,003.98	1,168,679.03
Investments	-	22,713.60	22,713.60	-	21,222.30	21,222.30
Derivative financial instruments	-	6,165.94	6,165.94	-	676.16	676.16
Other financial assets	4,957.57	2,957.21	7,914.78	935.92	7,177.08	8,113.00
	432,167.55	**1,117,999.47**	**1,550,167.02**	**400,932.74**	**1,013,271.66**	**1,414,204.40**
Non-Financial Assets						
Current tax assets (Net)	-	1,111.69	1,111.69	-	326.24	326.24
Deferred tax assets (Net)	-	8,557.22	8,557.22	-	8,721.08	8,721.08
Investment property	-	3.56	3.56	-	3.56	3.56
Property, plant and equipment	-	2,639.99	2,639.99	-	2,412.35	2,412.35
Right of use asset	-	5,608.85	5,608.85	-	5,510.10	5,510.10
Capital work-in-progress	-	7,208.34	7,208.34	-	6,236.10	6,236.10
Other intangible assets	-	573.61	573.61	-	713.24	713.24
Other non-financial assets	3,075.88	27.72	3,103.60	3,886.34	43.04	3,929.38
	3,075.88	**25,730.98**	**28,806.86**	**3,886.34**	**23,965.71**	**27,852.05**
Total Assets	**435,243.43**	**1,143,730.45**	**1,578,973.88**	**404,819.08**	**1,037,237.37**	**1,442,056.45**

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Liabilities and Equity						
Financial Liabilities						
Derivative financial instruments	-	-	-	964.12	-	964.12
Payables						
Trade payables						
Total outstanding dues of micro and small enterprises	118.62	-	118.62	115.36	-	115.36
Total outstanding dues of creditors other than micro and small enterprises	3,062.26	-	3,062.26	2,556.50	-	2,556.50
Debt securities	45,011.96	33,311.27	78,323.23	2,526.42	75,651.98	78,178.40
Borrowings (other than debt securities)	214,205.41	527,514.36	741,719.77	194,828.52	519,192.47	714,020.99
Other financial liabilities	4,450.41	6,136.07	10,586.48	5,657.59	3,806.37	9,463.96
Total	**266,848.66**	**566,961.70**	**833,810.36**	**206,648.51**	**598,650.82**	**805,299.33**
Non-Financial Liabilities						
Current tax liabilities (Net)	1,455.66	-	1,455.66	865.79	-	865.79
Provisions	349.58	3,383.95	3,733.53	341.53	3,101.97	3,443.50
Other non-financial liabilities	1,958.97	-	1,958.97	1,987.16	-	1,987.16
Total	**3,764.21**	**3,383.95**	**7,148.16**	**3,194.48**	**3,101.97**	**6,296.45**
Total Liabilities	**270,612.87**	**570,345.65**	**840,958.52**	**209,842.99**	**601,752.79**	**811,595.78**
Net Assets / (Liabilities)			**738,015.36**			**630,460.67**

48. Financial risk management objectives and policies

The Company's principal financial liabilities primarily comprise of borrowings from banks, debentures and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, cash and cash equivalents that relate directly to its operations.

These activities exposes the Company to a variety of financial risks, as listed below apart from various operating and business risks, and the note below also explains how the Company manages such risks.

i) Market risk;
ii) Credit risk;
iii) Liquidity risk ; and
iv) Foreign Currency Risk
v) Information Technology Risk

This note explains the sources of risks arising from financial instruments which the entity is exposed to and how the Company manages the risk.

Risk management framework

The Company’s board of directors and risk management committee has overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Company’s risk management policies.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company’s risk management committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(i) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices which will affect the Companies income or the value of holdings of financial instruments. The Company does not have exposure to currency risk and security price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Interest rate risk

Interest rate risk primarily arises from borrowings with variable rates. The Company's borrowings are carried at amortised cost. The borrowings with fixed rates are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Particulars	As at March 31, 2026	As at March 31, 2025
The interest rate profile of the Company's interest bearing financial instruments is as follows:		
Fixed rate instruments		
Financial assets	1,527,420.00	1,393,423.93
Financial liabilities	265,837.33	258,157.35
Total	**1,793,257.33**	**1,651,581.28**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	554,205.67	534,042.04
Total	**554,205.67**	**534,042.04**

Particulars	Profit / loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash flow sensitivity analysis for variable-rate instruments:				
March 31, 2026				
Variable-rate instruments				
Cash flow sensitivity (net)	(5,621.34)	5,621.34	(4,206.45)	4,206.45
Total	**(5,621.34)**	**5,621.34**	**(4,206.45)**	**4,206.45**
March 31, 2025				
Variable-rate instruments				
Cash flow sensitivity (net)	(4,337.84)	4,337.84	(3,246.01)	3,246.01
Total	**(4,337.84)**	**4,337.84**	**(3,246.01)**	**3,246.01**

The sensitivity analysis above has been determined for borrowings where interest rates are variable. A 100 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(ii) Credit risk

Loans and advances

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans advances and other financial assets. The carrying amount of financial assets represents the maximum credit exposure. The Company has Credit policy approved by the Board of Directors, and ECL policy approved by Board and Audit Committe which is subject to annual review. The ECL policy is based on the Ind AS 109 requirements and the regulatory requirements as prescribed by the Reserve Bank of India. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including periodical collateral revisions, as defined in the Credit policy. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The disclosure of maximum exposure to credit risk without taking into account any collateral held or other credit enhancements has not been provided for financial assets, as their carrying amount best represent the maximum exposure to credit risk. All the loans provided are secured against mortgage of land and/or building. The fair value of the collateral is determined on the guidelines prescribed in the collateral management policy as approved by the Board of Directors.

Impairment assessment - Expected credit loss ("ECL"):

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. The Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

a. Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Model was used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out on PD based on the last six years historical data.

The PDs derived from the model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: best , worst and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Staging of loans:

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the loan has remained overdue for a period greater than 90 days.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the entire principal and interest overdue across all loan accounts of the customer are received. Such cured loans are classified as Stage 1 or 2 depending upon the days past due after such cure has taken place.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months ECL
1-30 Days	Stage 1	12 Months ECL
31-90 Days	Stage 2	Lifetime ECL
90+ Days	Stage 3	Lifetime ECL

b. Loss given default

The credit risk assessment is based on a standardised loss given default (LGD) assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows.

Further recent data and forward-looking economic scenarios are used in order to determine the LGD rate for each of the homogeneous portfolios. When assessing forward-looking information, the expectation is based on multiple scenarios.

Under Ind AS 109, LGD rates are estimated for each of the homogeneous portfolios. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

c. Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account.

The Company determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of models.

d. Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Life-time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

When estimating ECLs on a collective basis for a group of similar assets the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition. (Refer Note-6.1 for analysis of changes in the gross carrying amount and the corresponding ECL allowances)

Grouping financial assets measured on a collective basis

The Company calculates ECL on a collective basis for all asset classes.

The Company combines these exposure into smaller homogeneous portfolios, based on the characteristics of the loans, as described below:

a). Geographic location

b). Ticket size

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial assets.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

Particulars	Provisions	As at March 31, 2026	As at March 31, 2025
Stage 1	12 month provision	0.14%	0.34%
Stage 2	Life time provision	3.46%	5.11%
Stage 3	Life time provision	41.40%	51.31%

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 3.6 Summary of significant accounting policies. ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components

The following tables outline the impact of multiple scenarios on the allowance based on macro-economic factors considered:

ECL Scenario	As at March 31, 2026	As at March 31, 2025
Best Case	23,114.45	18,171.98
Base Case	24,225.26	19,165.31
Worst Case	25,663.69	20,536.84

Analysis of credit concentration risks

The Company's concentrations of risk are managed by counterparty and geography. The maximum credit exposure to any individual client or counterparty as of March 31, 2026 was INR 44.90 Lakhs (March 31, 2025: INR 44.53 Lakhs).

Geography	As at March 31, 2026	As at March 31, 2025
The following table shows the risk concentration of loan portfolio by geography.		
Tamil Nadu	370,819.49	340,339.47
Andhra Pradesh	478,607.89	446,979.04
Telangana	250,026.82	225,499.54
Madhya Pradesh	119,669.18	79,682.44
Karnataka	62,793.08	72,907.71
Others	40,548.22	22,295.58
Total	**1,322,464.68**	**1,187,703.78**

Note: The above risk concentration of loan portfolio excludes Inter-Corporate Deposits amounting to INR 329.45 lakhs as at March 31, 2026 (March 31, 2025- INR 308.35 lakhs).

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets that are measured at amortised cost. The main types of collateral include residential and commercial properties and collateral can have a significant effect in mitigating the Company's credit risk.

Write Off

Financial assets are written off when the Company has no reasonable expectation of recovery or expected recovery in the medium term is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Cash and bank balances

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Investments

Investments comprises of mutual funds and government securities in accordance with the investment policy. Government securities have sovereign rating and mutual fund investments are made with counterparties with low credit risk. The credit worthiness is of these counterparties are evaluated on an ongoing basis.

Other Financial Assets

Other financial assets is primarily constituted by security deposits and other receivables. The Company does not expect any losses from non-performance by these counter-parties.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The Company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the Company. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company's principal sources of liquidity are borrowings, cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Particulars	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years

Exposure to liquidity risk

The table below provides details regarding the undiscounted contractual maturities of financial liabilities and assets including interest as at March 31, 2026:

Particulars	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities					
Derivative Financial Instruments	-	-	-	-	-
Trade payables	3,180.88	3,180.88	-	-	-
Debt Securities	78,323.23	48,329.15	19,014.38	17,450.35	-
Borrowings (Other than Debt Securities)	741,719.77	268,571.03	211,140.42	367,912.04	26,534.92
Other financial liabilities	10,586.48	6,997.38	1,971.52	2,087.72	590.64
Total (A)	**833,810.36**	**327,078.44**	**232,126.32**	**387,450.11**	**27,125.56**
Financial Assets					
Cash and cash equivalents	161,789.52	161,789.52	-	-	-
Bank Balances other than cash and cash equivalents	53,105.57	45,806.78	8,169.60	-	-
Loans	1,298,477.61	522,955.16	467,022.87	1,032,066.78	223,601.45
Investments	22,713.60	-	24,963.30	-	-
Derivative Financial Instruments	6,165.94	-	-	6,165.94	-
Other Financial assets	7,914.78	4,880.89	2,711.11	545.64	58.34
Total (B)	**1,550,167.02**	**735,432.35**	**502,866.88**	**1,038,778.36**	**223,659.78**

The table below provides details regarding the undiscounted contractual maturities of financial liabilities and assets including interest as at March 31, 2025:

Particulars	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities					
Derivative Financial Instruments	964.12	964.12	-	-	-
Trade payables	2,671.86	2,671.86	-	-	-
Debt Securities	78,178.40	7,106.11	48,342.03	36,464.73	-
Borrowings (Other than Debt Securities)	714,020.99	254,657.40	226,268.70	352,526.60	29,331.99
Other financial liabilities	9,463.96	5,753.86	1,711.07	2,386.68	851.40
Total (A)	**805,299.33**	**271,153.35**	**276,321.80**	**391,378.01**	**30,183.39**
Financial Assets					
Cash and cash equivalents	149,674.05	149,716.05	-	-	-
Bank Balances other than cash and cash equivalents	65,839.86	61,684.99	2,655.99	2,808.84	-
Loans	1,168,679.03	461,306.93	426,398.97	959,290.79	211,700.96
Investments	21,222.30	-	-	24,963.30	-
Derivative Financial Instruments	676.16	-	-	676.16	-
Other Financial assets	8,113.00	940.31	4,786.58	2,954.09	72.94
Total (B)	**1,414,204.40**	**673,606.28**	**433,841.54**	**990,693.18**	**211,773.90**

(iv) Foreign Currency Risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arise primarily on account of foreign currency borrowings. The Company manages this foreign currency risk by entering in to cross currency swaps . When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedged exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds a derivative financial instrument of Cross currency swap to mitigate risk of changes in exchange rate in foreign currency

The Counterparty for the contracts are banks. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.

Disclosure of Effects of Hedge Accounting

Cash Flow Hedge

Impact of hedging instrument on balance sheet is, as follows:

As on 31st March 2026

Foreign Exchange Risk on Cash Flow Hedge	No of Contracts	Nominal Value of Hedging Instrument INR Lakhs	Carrying Value INR Lakhs		Maturity Date	Changes in Fair Value of Hedging Instrument INR Lakhs	Changes in Value of Hedged Item used as a Basis for recognising hedge effectiveness	Line Item in Balance Sheet
		Liability	Asset	Liability				
Cross Currency Interest Rate Swap	6	50,618.90	2,516.98	-	December 27, 2026 to February 12, 2031	1840.82	(2,255.13)	Hedged Item - Borrowings Hedging Instrument- Derivative Financial Instrument
Forward contract	3	80,775.85	3,648.96	-	August 18, 2026 to August 19, 2026	4613.08	(4,204.77)	Hedged Item - borrowings Hedging instrument- derivative financial instrument

Cash Flow Hedge	Change in the Value of hedging Instrument recognized in Other Comprehensive Income	Ineffectiveness recognised in Profit and Loss ₹ Lakhs	Amount reclassified from Cash Flow hedge reserve to Profit or Loss	Line item affected in statement of Profit and Loss because of the reclassification
Foreign Exchange risk and exchange rate risk	170.85	-	-	NA

As on 31st March 2025

Foreign Exchange Risk on Cash Flow Hedge	No of Contracts	Nominal Value of Hedging Instrument INR Lakhs	Carrying Value INR Lakhs		Maturity Date	Changes in Fair Value of Hedging Instrument INR Lakhs	Changes in Value of Hedged Item used as a Basis for recognising hedge effectiveness	Line Item in Balance Sheet
		Liability	Asset	Liability				
Cross Currency Interest Rate Swap	2	9,322.80	676.16	-	December 27, 2026 to June 30, 2028	302.57	246.70	Hedged Item- Borrowings Hedging Instrument- Derivative Financial Instrument
Forward contract	2	51,105.13	-	964.12	June 30, 2025 to August 22, 2025	964.12	(746.99)	Hedged item - borrowings Hedging instrument- derivative financial instrument

Cash Flow Hedge	Change in the Value of hedging Instrument recognized in Other Comprehensive Income	Ineffectiveness recognised in Profit and Loss ₹ Lakhs	Amount reclassified from Cash Flow hedge reserve to Profit or Loss	Line item affected in statement of Profit and Loss because of the reclassification
Foreign Exchange risk and exchange rate risk	4.18	-	-	NA

(v) Information Technology Risk

Technology risk may arise from potential impact to IT systems and data because of hardware or software failure, human errors, as well as engineered cyber-attacks. In an era where technology is an imperative to drive efficiency, effectiveness and innovation, it becomes essential for the NBFC to have well-defined policies and procedures, necessary infrastructure and controls, and periodic audits to guard itself against any looming threats. The Company has implemented the Master Directions on Technology notified by the Reserve Bank of India and has put in place the necessary policies, procedures, controls and governance mechanisms to mitigate this risk. In addition, the Company also undergoes an IT audit by an independent firm on a yearly basis, has periodic vulnerability and penetration tests conducted by a third-party agency to identify and plug any loopholes in its technology infrastructure, process controls and remediation preparedness. The IT Strategy Committee of the Company (supported by IT Steering Committee and Information Security Committee) looks into all these aspects to protect the Company's technology and data assets, and ensure adequate preparedness to manage these risks.

49. Disclosures required as per RBI Circulars/Directives

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
A. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Reserve Bank of India Master Direction RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025				
Liabilities side				
1. Loans and Advances availed by the non-banking financial company, inclusive of interest accrued thereon but not paid^				
a. Debentures				
i. Secured	78,447.24	-	78,460.45	-
ii. Unsecured	-	-	-	-
b. Deferred Credits	-	-	-	-
c. Term Loans*	740,394.57	-	709,520.41	-
d. Inter-corporate loans and borrowings	-	-	-	-
e. Commercial Paper	-	-	-	-
f. Public Deposits	-	-	-	-
g. Other loans				
i). Loans repayable on demand (secured) - From Banks	-	-	-	-
ii). Loans from related parties (unsecured)	-	-	-	-
iii). Term Loans from other parties (unsecured)	3,786.90	-	6,838.85	-
2. Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):				
a. In the form of Unsecured debentures	-	-	-	-
b. In the form of party secured debentures i.e debentures where there is a shortfall in the value of security	-	-	-	-
c. Other public deposits	-	-	-	-

* includes borrowings under securitisation

^ The balances considered are without effective interest rate adjustments.

Particulars	Amount Outstanding as on March 31, 2026	Amount Outstanding as on March 31, 2026
Assets side		
3. Break-up of Loans and Advances, including Bills Receivables		
a. Secured(net of impairment loss allowance)	1,298,149.48	1,168,371.91
b. Unsecured	328.13	307.12
4. Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i). Leased assets including lease rentals under Receivables		
a. Financial lease	-	-
b. Operating lease	-	-
(ii). Stock on hire including hire charges under Receivables		
a. Assets on hire	-	-
b. Repossessed assets	-	-

Particulars	Amount Outstanding as on March 31, 2026	Amount Outstanding as on March 31, 2026
(iii). Other loans counting towards AFC activities		
a. Loans where assets have been repossessed (net)	-	-
b. Loans other than (i) above	-	-
5. Break-up of Investments		
a. Current Investments		
1. Quoted		
i. Shares		
a. Equity	-	-
b. Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities*	-	-
v. Others	-	-
* Includes investments in Government of India Strips.		
2. Unquoted		
i. Shares		
a. Equity	-	-
b. Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities*	-	-
v. Others	-	-
b. Long-term Investments		
1. Quoted		
i. Shares		
a. Equity	-	-
b. Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities*	22,713.60	21,222.30
v. Others	-	-
2. Unquoted		
i. Shares		
a. Equity	-	-
b. Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others	-	-

* Includes investments in Government of India Strips and Government of India Fixed Rate Bonds.

Particulars	Amount [Net of Provisions]			
	As at March 31, 2026		As at March 31, 2025	
	Total	Secured	Total	Secured
6. Borrower group-wise classification of assets financed in 3 and 4 above				
a. Related Parties	-	-	-	-
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other Related Parties	-	-	-	-
b. Other than Related Parties	1,298,477.61	1,298,149.48	1,168,679.03	1,168,371.91
Total	**1,298,477.61**	**1,298,149.48**	**1,168,679.03**	**1,168,371.91**

Category	As at March 31, 2026		As at March 31, 2025	
	Market value / breakup or Fair value or NAV	Book Value (Net of Provisions)	Market value / breakup or Fair value or NAV	Book Value (Net of Provisions)
7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
a. Related Parties	-	-	-	-
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other Related Parties	-	-	-	-
b. Other than Related Parties	23,027.60	22,713.60	21,466.86	21,222.30
Total	**23,027.60**	**22,713.60**	**21,466.86**	**21,222.30**

Particulars	As at March 31, 2026	As at March 31, 2025
8. Other Informations		
a. Gross Non-Performing Assets (stage 3 assets)		
i. Related Parties	-	-
ii. Other than Related Parties	44,609.68	21,231.56
b. Net Non-Performing Assets (stage 3 assets)		
i. Related Parties	-	-
ii. Other than Related Parties	26,141.67	10,337.48
c. Assets acquired in satisfaction of debt	-	-

Disclosure pursuant to Reserve Bank of India Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

B. Derivatives (Forward rate agreement / interest rate swap)

(i) Notional Principal of Swap Accounts	131,394.75	60,427.93
(ii) Losses which would be incurred of counter parties failed to fulfill their obligations under the agreement	-	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from Swaps	-	-
(v) The fair value of the swap Book	6,165.94	(287.96)

The Company has hedged its foreign currency borrowings through cross currency swaps. For Accounting Policy & Risk Management Policy. (Refer note no. 3.22 and 48(iv))

Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Particulars	As at March 31, 2026	As at March 31, 2025
Disclosures on risk exposure in derivatives		
Qualitative Disclosure		
Details for qualitative disclosure are part of accounting policy as per financial statements. (refer note no. 3.23)		
(i) Derivatives (notional principal amount) for hedging	131,394.75	60,427.93
(ii) Marked to market positions		
(a) Asset	6,165.94	676.16
(b) Liability	-	964.12
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-
C. Investments		
1. Value of Investments		
i. Gross value of investments		
a. In India	22,713.60	21,222.30
b. Outside India	-	-
ii. Provision for depreciation		
a. In India	-	-
b. Outside India	-	-
iii. Net value of investments		
a. In India	22,713.60	21,222.30
b. Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
i. Opening balance	-	-
ii. Add : Provisions made during the year	-	-
iii. Less : Write-off / write-back of excess provisions during the year	-	-
iv. Closing balance	-	-
D. Exposure to Real Estate Sector		
1. Direct exposure		
i. Residential Mortgages*		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,319,988.34	1,184,716.72
ii. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	2,476.34	2,987.06
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
2. Indirect Exposure	-	-
Total exposure to Real Estate sector (gross)	**1,322,464.68**	**1,187,703.78**

* Represents gross carrying amount as at the reporting date which are secured by underlying mortgaged properties.

Note: The above exposure excludes Inter-Corporate Deposits amounting to INR. 329.45 lakhs as at March 31, 2026 (INR. 308.35 lakhs as at March 31, 2025).

E. Customer Complaints		
No. of complaints pending at the beginning of the year	13	13
No. of complaints received during the year	956	356
No. of complaints redressed during the year	891	355
No. of complaints pending at the end of the year	78	14

Particulars	As at March 31, 2026	As at March 31, 2025
F. Exposure to Capital Market		
The Company does not have any exposure to capital market and hence this disclosure is not applicable.		
G. Concentration of Advances		
Total Advances to twenty largest borrowers	715.61	777.17
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.05%	0.07%

Note: The above concentration of advances excludes inter-corporate deposits amounting to INR 329.45 lakhs as at March 31, 2026 (INR 308.35 lakhs as at March 31, 2025).

H. Concentration of exposures		
Total exposure to twenty largest borrowers	715.61	777.17
Percentage of exposures to twenty largest borrowers to Total exposure of the NBFC	0.05%	0.07%
The above exposure denotes gross carrying amount		

Note: The above concentration of exposure excludes inter-corporate deposits amounting to INR 329.45 lakhs as at March 31, 2026 (INR 308.35 lakhs as at March 31, 2025).

I. Concentration of NPAs (Stage 3 assets)		
Total exposure to top four NPA accounts(Stage 3 assets)	121.50	95.29
J. Ratings assigned by Credit Rating Agencies		
The Credit Analysis & Research Limited (CARE), CRISIL Limited (CRISIL) and ICRA Limited (ICRA) have assigned ratings for the various facilities availed by the Company, details of which are given below:		
Commercial Paper		
- CARE	A1+	A1+
Long term Bank Facilities		
- CARE	AA-	AA-
- ICRA	AA-	AA-
- India Rating	AA-	AA-
Short term bank facilities		
- CARE	A1+	A1+
Non Convertible Debentures		
- India Rating	AA-	AA-
- ICRA	AA-	AA-
K. Sector-wise Gross NPAs (Stage 3 assets)		
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services*	3.53%	2.11%
Unsecured personal loans	-	-
Auto loans (commercial vehicles)	-	-
Other personal loans	3.19%	1.41%

* Represents small business loans given to borrowers involved in manufacturing/service sectors.

The above sector-wise NPA and advances is based on the data available with the company.

Particulars	As at March 31, 2026	As at March 31, 2025
L. Movement of NPAs (Stage 3 assets)		
Gross NPAs to Net Advances (%)	**3.37%**	**1.79%**
Net NPAs to Net Advances (%)	**2.00%**	**0.88%**
Movement of NPAs (Gross)		
(a) Opening balance	21,231.56	13,283.99
(b) Additions during the year	41,910.47	15,829.81
(c) Reductions during the year*	(18,532.35)	(7,882.24)
(e) Closing balance	**44,609.68**	**21,231.56**
Movement of Net NPAs		
(a) Opening balance	10,337.48	6,075.36
(b) Additions during the year	17,114.28	5,740.40
(c) Reductions during the year	(1,310.09)	(1,478.28)
(d) Closing balance	**26,141.67**	**10,337.48**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	10,894.08	7,208.63
(b) Provisions made during the year	24,796.19	10,089.41
(c) Write-off / write-back of excess provisions	(17,222.26)	(6,403.96)
(d) Closing balance	**18,468.01**	**10,894.08**

*Includes write-off of INR 15,478.50 lakhs for the year ended March 31, 2026 (for the year ended March 31, 2025 INR 5,421.37 lakhs).

Regulator	Registration No.
M. Other Regulator - Registration details	
i. Ministry of Corporate Affairs	L65991TN1984PLC010844
ii. Reserve Bank of India	B-07.00286
iii. National Housing Bank*	05.0134.16

*Certificate of Registration has been surrendered to NHB on June 5, 2020

N. Disclosure of penalties imposed by RBI and other regulators

The Company has paid a penalty of INR 13,460 and INR 2,603 imposed by Employees' Provident Fund Organisation and Gujarat Commercial Tax Department respectively, during the year ended March 31, 2026. The Company paid a penalty of INR 1,57,756 imposed by GST Authority, during the year ended March 31, 2025.

O. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

The Company has not exceeded the single borrower limit (SGL)/ group borrower limit (GBL) during the year ended March 31, 2026 and March 31, 2025.

P. Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint ventures and subsidiaries abroad during the year ended March 31, 2026 and March 31, 2025 and hence this disclosure is not applicable.

Q. Details of financing of parent company products

The Company does not have a parent company and hence this disclosure is not applicable.

R. Details of non-performing financial assets purchased/ sold

The Company has not purchased any non-performing assets during the financial year ended March 31, 2026 and March 31, 2025.

S. Details of unsecured advances

The Company has unsecured intercorporate deposits amounting to INR 329.45 lakhs as at March 31, 2026 (March 31, 2025 - INR 308.35 lakhs).

Particulars	As at March 31, 2026	As at March 31, 2025

The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc. as collateral security.

T. Off-Balance Sheet SPVs sponsored

The Company does not have Off-Balance Sheet SPVs sponsored, which are required to be consolidated as per the accounting norms, during the financial year ended March 31, 2026 and March 31, 2025.

U. Remuneration to non-executive directors

The Company has incurred commission of INR 75.00 Lakhs and sitting fee of INR 49.45 lakhs during the year ended March 31, 2026 (March 31, 2025: commission - INR 60 lakhs, sitting fee - INR 39 lakhs)

V. Draw down from reserves

The Company has not made any draw down from reserves during the year ended March 31, 2026 and March 31, 2025.

W. Provisions and Contingencies

Category-wise Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss (including other comprehensive Income)

Provisions for depreciation on investment	-	-
Provision towards non-performing assets*	24,222.23	9,106.82
Provision made towards income tax	36,503.91	37,160.64
Provision for compensated absences	2,112.76	1,636.78
Provision for gratuity	397.60	1,294.30
Provision for standard assets#	(2,590.51)	(210.30)

* Represents impairment loss allowance on stage 3 assets - Includes write-off of INR 16,648.30 lakhs (March 31, 2025 - INR 5,421.37 lakhs)
# Represents impairment loss allowance on stage 1 and stage 2 assets.

X. Gold Loan Portfolio

The Company has not provided loan against gold during the year ended March 31, 2026 and March 31, 2025.

Y. Related Party Transaction

Details of all material transactions with related parties are disclosed in Note 43

Z. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

AA. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

AB. Ind As 110 - Consolidated Financial Statements (CFS)

The Company does not have any Subsidiary, Associate or Joint venture and hence is not required to prepare Consolidated financial statement.

AC. Public disclosure on Liquidity Risk

S.No.	No. of Significant Counterparties	Amount (₹ in lakhs)	% of Total Liabilities
(i) Funding Concentration based on significant counterparty (borrowings)			
1	23	739,090.35	87.89%

(ii) Top 20 large deposits (amount in Rs. and % of total deposits): Not Applicable

S.No.	Name of the Facility	Amount (₹ in lakhs)	% of Total Borrowings
(iii) Top 10 borrowings (amount in Rs. and % of total borrowings)			
1	Total of top 10 borrowings	372,310.10	45.40%

S.No.	Name of the Instrument / Product	Amount (₹ in lakhs)	% of Total Liabilities
(iv) Funding Concentration based on significant instrument/product			
1	Non-Convertible Debentures	78,323.23	9.31%
2	Term Loan	555,518.47	66.06%
3	Securitisation	135,280.23	16.09%
4	External commercial borrowings	50,921.08	6.06%

S.No.	Name of the Instrument / Product	% of Total Liabilities
(v) Stock Ratios		
1	Commercial papers as a % of total public funds, total liabilities and total assets	Nil
2	Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	Nil
3	Other short-term liabilities, if any as a % of total public funds	32.54%
4	Other short-term liabilities, if any as a % of total liabilities	31.73%
5	Other short-term liabilities, if any as a % of total assets	17.02%

(vi) Institutional set-up for liquidity risk management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The Company also has lines of credit that it can access to meet liquidity needs. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members from the Treasury and Risk functions, monitor liquidity risks on a monthly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Definitions:

“Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.

"Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.

Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

Total assets represents total assets as per the balance sheet netted off by intangible assets.

49. Disclosures required as per RBI Circulars/Directives

Disclosure pursuant to Reserve Bank of India (Non-Banking Financial Companies - Asset Liability Management) Directions, 2025 dated November 28, 2025

AD. Asset liability management - maturity pattern of certain items of assets and liabilities

As at March 31, 2026

Particulars	1-7 Days	8-14 Days	15-31 Days	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Advances*	150.56	0.29	15,940.97	16,362.78	17,274.04	52,534.87	117,448.17	464,178.97	443,020.57	200,600.38	1,327,511.60
Investments	-	-	-	-	-	-	-	22,713.60	-	-	21,713.60
Borrowings	997.82	661.46	35,889.76	13,656.62	24,182.68	54,324.25	121,195.70	375,050.73	121,130.49	24,095.13	771,184.64
Foreign Currency Liabilities	-	-	-	-	-	2,223.85	7,151.66	10,517.14	31,551.43	-	51,444.08

*The above advances excludes Inter-Corporate Deposits amounting to INR 329.45 lakhs as at March 31, 2026

As at March 31, 2025

Particulars	1-7 Days	8-14 Days	15-31 Days	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Advances*	88.13	1.02	13,815.97	14,043.29	14,226.99	46,282.02	101,217.63	417,982.18	400,385.68	189,192.78	1,197,235.69
Investments	-	-	-	-	-	-	-	21,222.30	-	-	21,222.30
Borrowings	1,780.15	501.95	11,925.72	11,566.46	21,809.29	48,597.80	98,947.26	397,207.83	171,879.88	23,765.97	787,982.31
Foreign Currency Liabilities	-	-	-	-	-	1,709.35	1,709.35	3,418.70	-	-	6,837.40

*The above advances excludes Inter-Corporate Deposits amounting to INR 308.35 lakhs as at March 31, 2025

Notes:
- The balances considered are without netting of impairment loss allowance (for stage 1 and stage 2 assets) and effective interest rate adjustments
- The classification of various components of assets and liabilities into different time buckets disclosed in the "Asset Liability Management - Maturity pattern of certain items of assets and liabilities" table above is based on RBI Directions.

AE. Disclosures in respect of fraud as per the Master Directions on Fraud Risk Management in Non-Banking Financial Companies dated July 15, 2024

Particulars	Less than INR 1 Lakh		More than INR 1 Lakh less than INR 25 Lakh		Above INR 25 Lakh		Total	
	Number of Instances	₹ in lakhs	Number of Instances	₹ in lakhs	Number of Instances	₹ in lakhs	Number of Instances	₹ in lakhs
Staff	4	1.07	5	34.80	-	-	9	35.87
Outsiders	-	-	-	-	-	-	-	-
Total	**4**	**1.07**	**5**	**34.80**	**-**	**-**	**9**	**35.87**
Type of fraud:								
Cash Mishandling	4	1.07	5	34.80	-	-	9	35.87
Theft/Burglary	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	**4**	**1.07**	**5**	**34.80**	**-**	**-**	**9**	**35.87**

49. Disclosures required as per RBI Circulars/Directives

AF. Disclosures Pursuant to Reserve Bank of India Master Direction RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025

As per the guidelines on liquidity risk management framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all non-deposit taking NBFCs with asset size more than INR 5,000 crores are required to maintain liquidity coverage ratio (LCR) from December 1, 2022, with the minimum LCR to be 60%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

Particulars	Quarter ended 30 June 2025		Quarter ended 30 September 2025		Quarter ended 31 December 2025		Quarter ended 31 March 2026	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
For the year ended March 31, 2026								
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (comprise of cash on hand and demand deposits with Scheduled Commercial Banks and unencumbered Government Securities)	32,492.60	32,492.60	33,448.00	33,448.00	34,064.00	34,064.00	37,769.27	37,769.27
Cash outflows								
2. Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-	-	-	-	-
4. Secured wholesale funding	23,541.64	27,072.88	24,779.00	28,496.00	25,931.00	29,821.00	41,874.47	48,155.64
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures an other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss on funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	-	-	-	-	-	-	-	-
7. Other contingent funding obligations	8,618.28	9,911.03	8,506.00	9,781.00	7,981.00	9,178.00	9,102.19	10,467.52
8. Total cash outflows	**32,159.92**	**36,983.91**	**33,285.00**	**38,277.00**	**33,912.00**	**38,999.00**	**50,976.66**	**58,623.16**
Cash Inflows								
9. Secured Lending	37,613.04	28,209.78	38,251.00	28,689.00	39,560.00	29,670.00	40,798.52	30,598.89
10. Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11. Other cash inflows	135,475.60	101,606.70	126,744.00	95,058.00	122,450.00	122,450.00	127,354.88	95,516.16
12. Total cash inflows	**173,088.64**	**129,816.48**	**164,995.00**	**123,747.00**	**162,010.00**	**152,120.00**	**168,153.40**	**126,115.05**

	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13. Total HQLA	**32,492.60**	**33,448.00**	**34,064.00**	**37,769.27**
14. Total Net cash outflows	**9,245.98**	**9,569.25**	**9,749.75**	**14,655.79**
15. Liquidity Coverage Ratio (%)	**351%**	**350%**	**349%**	**258%**

Particulars	Quarter ended 30 June 2024		Quarter ended 30 September 2024		Quarter ended 31 December 2024		Quarter ended 31 March 2025	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
For the year ended March 31, 2025								
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (comprise of cash on hand and demand deposits with Scheduled Commercial Banks and unencumbered Government Securities)	22,888.71	22,888.77	20,153.20	20,153.20	32,197.32	32,197.32	32,957.54	32,957.54
Cash outflows								
2. Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-	-	-	-	-
4. Secured wholesale funding	18,211.83	20,943.61	19,531.26	22,460.95	22,687.25	26,090.34	24,284.61	27,927.30
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures an other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss on funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	-	-	-	-	-	-	-	-
7. Other contingent funding obligations	7,391.83	8,500.60	7,990.15	9,188.67	7,882.27	9,064.61	8,071.84	9,282.61
8. Total cash outflows	**25,603.66**	**29,444.21**	**27,521.41**	**31,649.62**	**30,569.52**	**35,154.95**	**32,356.45**	**37,209.91**
Cash Inflows								
9. Secured Lending	30,565.17	22,923.88	31,900.76	23,925.57	34,210.40	25,657.80	34,518.23	25,888.67
10. Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11. Other cash inflows	141,434.72	106,076.04	118,847.05	89,135.29	91,192.45	68,394.34	93,375.73	70,031.80
12. Total cash inflows	**171,999.89**	**128,999.92**	**150,747.81**	**113,060.86**	**125,402.85**	**94,052.14**	**127,893.96**	**95,920.47**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13. Total HQLA		**22,888.77**		**20,153.20**		**32,197.32**		**32,957.54**
14. Total Net cash outflows		**7,361.05**		**7,912.41**		**8,788.74**		**9,302.48**
15. Liquidity Coverage Ratio (%)		**311%**		**255%**		**366%**		**354%**

Notes:

1. The average weighted and unweighted amounts are calculated based on simple average of daily observations for the quarters ended June 30, September 30, December 31 and March 31 of the respective financial years. The weightage factor applied to compute weighted average value is constant for all the quarters.
2. Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines.
3. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4. RBI has mandated minimum liquidity coverage ratio (LCR) of 60% to be maintained by December 2022, which is to be gradually increased to 100% by December 2024. The Company has LCR of 258% as of March 31, 2026 as against the LCR of 100% mandated by RBI.

Qualitative information:

5. The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.
6. LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days.
7. HQLAs comprise of cash on hand, demand deposits with Scheduled Commercial Banks and Unencumbered government securities.
8. Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).
9. Other cash inflows" include mutual funds and callable fixed deposits maturing within 30 days.
10. The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee (ALCO) oversees the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.
11. The Company maintains a funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments. There is no currency mismatch in the LCR. The above is periodically monitored by ALCO.

49. Disclosures required as per RBI Circulars/Directives

AG. Disclosure as per format prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 dated August 06, 2020 and RBI/2021-22/31/DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021 for the year ended March 31, 2026 (borrowers who has been provided restructuring under RBI Resolution Framework - 2.0):

Type of borrower**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the year
Personal Loans	993.42	171.86	20.21	199.17	602.18
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	1,611.42	311.46	20.19	293.78	986.00
Total	2,604.84	483.32	40.40	492.95	1,588.18

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** Classification of borrowers is based on the data available with the Company. Above loans are secured wholly by mortgage of property.

Particulars	As at March 31, 2026	As at March 31, 2025
AH. Disclosure pertaining to RBI Master Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025		
Details of Securitisation during the year Securitisation of Assets		
1. No of Special Purpose Vehicle's (SPV's) sponsored by the NBFC for securitisation transactions (Nos.)	13.00	13.00
2. Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	135,747.24	133,119.53
3. Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	59,560.66	44,758.62
- Others	1,534.62	-
4. Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others (Receivables from SPV's for Assets De-recognised)	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
5. Sale consideration received for securitised assets and gain or loss on account of sale of Securitisation during the year	65,834.62	75,000.00
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
- First loss	59,560.66	44,758.62
- Others	1,534.62	-
7. Performance of facility provided (Credit Enhancement)		
(a) Amount Paid	-	-
(b) Repayment received	-	-
(c) Outstanding Amount	61,095.28	44,758.62
8. Average default rate of portfolio*		
(a) Loan against property	0.03%- 2.62%	0.03%- 0.80%
9. Additional/top up loan given on the same underlying asset.		
- Amount (Lakhs)	6,098.68	6,595.27
- Number	3,655.00	3,760.00
10. Investor Complaints		
(a) Received	-	-
(b) Outstanding	-	-

*The period considered is from the date of initiation of the securitisation transactions till the period then ended.

AI. Disclosure pertaining to RBI Master Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025

Details of Assignments during the year

Details of Assignments during the year

a) The Company has not transferred any loans during year ended March 31, 2026.
b) The Company has not acquired any loans (not in default) through assignment during the financial year ended March 31, 2026.
c) The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2026.

The securitised loans disclosed in the above notes (i.e 49-AH) do not qualify for de-recognition under Ind-AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

The Company has neither entered into any assignment transaction nor sold financial assets to securitisation / reconstruction company for asset reconstruction. Hence the related disclosures are not applicable.

AJ. Disclosure pursuant to Reserve Bank of India Master Direction RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025
Comparison between Ind AS 109 provisions and IRACP norms

Asset Classification as per RBI norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
As at March 31, 2026						
Performing assets						
Standard assets	Stage 1	1,155,011.98	1,581.13	1,153,430.85	4,725.47	(3,144.34)
	Stage 2	123,172.47	4,267.38	118,905.09	566.21	3,701.17
Subtotal		**1,278,184.45**	**5,848.51**	**1,272,335.94**	**5,291.68**	**556.83**
Non -Performing assets*						
Substandard	Stage 3	40,932.81	14,791.14	26,141.67	3,600.50	11,190.64
		40,932.81	**14,791.14**	**26,141.67**	**3,600.50**	**11,190.64**
Doubtful						
Upto 1 year	Stage 3	2,666.37	2,666.37	-	420.38	2,245.99
1 to 3 years	Stage 3	963.45	963.45	-	203.40	760.05
More than 3 years	Stage 3	47.05	47.05	-	15.39	31.66
Subtotal for doubtful		**3,676.87**	**3,676.87**	**-**	**639.17**	**3,037.70**
Loss assets	Stage 3	-	-	-	-	-
Subtotal for NPA		**44,609.68**	**18,468.01**	**26,141.67**	**4,239.67**	**14,228.34**
Total		**1,322,794.13**	**24,316.52**	**1,298,477.61**	**9,531.35**	**14,785.17**
As at March 31, 2025						
Performing assets						
Standard assets	Stage 1	1,073,363.84	3,668.19	1,069,695.65	4,429.62	(761.43)
	Stage 2	93,416.73	4,770.83	88,645.90	508.40	4,262.43
Subtotal		**1,166,780.57**	**8,439.02**	**1,158,341.55**	**4,938.02**	**3,501.00**
Non -Performing assets*						
Substandard	Stage 3	15,313.15	5,494.07	9,819.08	1,304.43	4,189.64
		15,313.15	**5,494.07**	**9,819.08**	**1,304.43**	**4,189.64**
Doubtful						
Upto 1 year	Stage 3	4,342.89	3,824.49	518.40	654.70	3,169.79
1 to 3 years	Stage 3	1,541.69	1,541.69	-	332.68	1,209.01
More than 3 years	Stage 3	33.83	33.83	-	12.39	21.44
Subtotal for doubtful		**5,918.41**	**5,400.01**	**518.40**	**999.77**	**4,400.24**
Loss assets	Stage 3	-	-	-	-	-
Subtotal for NPA		**21,231.56**	**10,894.08**	**10,337.48**	**2,304.20**	**8,589.88**
Total		**1,188,012.13**	**19,333.10**	**1,168,679.03**	**7,242.22**	**12,090.88**

Note:Provision required as per IRACP norms includes provision calculated on securitised portfolio

AK. In terms of the requirement as per RBI master direction RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) and accordingly, no amount is required to be transferred to impairment reserve.

On November 12, 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of income recognition, asset classification and provisioning norms (IRACP norms) pertaining to advances.

Effective October 1, 2022, the Company implemented the requirements on upgradation of accounts classified as NPA as clarified in RBI circular on prudential norms on income recognition, asset classification and provisioning pertaining to advances- clarifications dated November 12, 2021 and February 15, 2022, on upgradation of accounts classified as NPA.

AL. Disclosures as per RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28th November 2025

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
i) Sector wise exposures *						
1. Agriculture and Allied Activities	-	-	0.00%	-	-	0.00%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	-	-	0.00%	-	-	0.00%
Others	592,967.66	24,225.32	4.09%	576,443.07	12,997.37	2.25%
Total of Services	592,967.66	24,225.32	4.09%	576,443.07	12,997.37	2.25%
4. Personal Loans						
i) Housing Loans	129,847.06	1,284.41	0.99%	62,566.87	498.83	0.80%
Others	-	-	-	-	-	-
Total Personal Loans	129,847.06	1,284.41	0.99%	62,566.87	498.83	0.80%
5. Others (Specify)	599,649.96	19,099.95	3.19%	548,693.84	7,735.36	1.41%
Total	**1,322,464.68**	**44,609.68**	**3.37%**	**1,187,703.78**	**21,231.56**	**1.79%**

*The amounts disclosed above excludes inter-corporate deposits amounting to INR 329.45 lakhs as at March 31, 2026. (March 31, 2025 - INR 308.35 lakhs)

S. No. Particulars	Current Year	Previous Year
ii) Disclosure of complaints		
Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman		
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	7	2
2. Number of complaints received during the year	628	106
3. Number of complaints disposed during the year	577	101
3.1. Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	58	7
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	328	250
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	308	243
5.2. Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3. Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

S. No.	Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	1	2	3	4	5	6
Top five grounds of complaints received by the NBFCs from customers						
For the year ended March 31, 2026						
1	Foreclosure related	2	87	123%	11	-
2	Staff Interaction / Collection related-	9	218	116%	28	-
3	Loans and Advances- Dues and Charges	2	358	377%	26	-
4	Closure & NOC related	-	73	265%	2	-
5	Moratorium related	1	9	-44%	1	-
6	Others	-	211	101%	10	-
Total		**14**	**956**	**169%**	**78**	**-**
For the year ended March 31, 2025						
1	Foreclosure related	1	39	550%	2	-
2	Staff Interaction / Collection related-	9	101	120%	9	-
3	Loans and Advances- Dues and Charges	2	75	341%	2	-
4	Closure & NOC related	1	20	-33%	-	-
5	Moratorium related	-	16	78%	1	-
6	Others	-	105	139%	-	-
Total		**13**	**356**	**134%**	**14**	**-**

S. No. Related Parties / Items	Directors		Key Management Personnel		Others*		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(iii). Related Party Disclosures								
1. Short-term employee benefits	-	-	1,432.51	1,682.54	-	-	1,432.51	1,682.54
2. Post employment benefits	-	-	0.75	0.88	-	-	0.75	0.88
3. Share based payment	-	-	(71.79)	981.84	-	-	(71.79)	981.84
4. Reimbursement of Expenses (from)	-	-	-	-	-	-	-	
5. Issue of shares	-	-	5.90	18.73	-	-	5.90	18.73
6. Securities Premium	-	-	2,569.93	1,248.69	-	-	2,569.93	1,248.69
7. Directors sitting fees	49.45	39.00	-	-	-	-	49.45	39.00
8. Commission to Directors	75.00	60.00	-	-	-	-	75.00	60.00
9. Payment to gratuity trust	-	-	-	-	700.00	1,807.60	700.00	1,807.60
10. Receipt from gratuity trust	-	-	-	-	263.58	227.06	263.58	227.06

* Comprises of transactions with entities with significant influence over the Company.

iv) Breach in Debt Covenants

There are no instances during the year ended March 31, 2026 and March 31, 2025 ,where the Company has breached the covenants on debt securities and on borrowings other than debt securities.

v) Divergence in Asset Classification and Provisioning

There has been no divergence in Gross NPAs as assessed by the Reserve Bank of India during the year ended March 31, 2026 and March 31, 2025.

50. Other statutory information

(i). The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii). The Company does not have transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except for the following:

(iii). The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv). The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v). The Company borrows funds from various Banks and financial institutions for the purpose of onward lending to end customers as per the terms of such borrowings. These transactions are part of the Company's normal lending activities, which is conducted after exercising proper due diligence including adherence to the terms of credit policies and other relevant guidelines.

Other than the nature of transactions described above.

(i). No funds have been advanced or loans or invested by the Company to or in any other person(s) or entity(ies) ("intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi). The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vii). The Company is not declared as wilful defaulter by any bank or financial institution or any other lender.

(viii). The Company is maintaining its book of account in electronic mode and these books of account are accessible at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Accounts Rules, i.e. August 5, 2022 onwards.

(ix). The title deeds of all immovable properties, (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the company) disclosed in the financial statements included in property, plant & equipment and capital work-in-progress are held in the name of the Company as at balance sheet date.

51. Audit Trail as per MCA Requirement

The Company uses separate accounting software for maintaining its books of account relating to general ledger and loan management.

Both these software applications have the feature of recording audit trail (edit log) facility and the same had been enabled during the year. The audit trail feature was also not tampered with during the year.

The Management has also ensured that adequate controls have been implemented during this period to ensure that effective functioning of internal financial controls with respect to the financial statements. Further, the audit trail that was enabled and operated for the year ended March 31, 2025, has been preserved by the Company as per the statutory requirements for record retention.

52. Analytical ratios

a) Liquidity Coverage Ratio (LCR)

As per the guidelines on liquidity risk management framework for NBFCs issued by RBI vide Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated November 28, 2025, all non-deposit taking NBFCs with asset size more than INR 5,000 crores are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2022, with the minimum LCR to be 60%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

Particulars	High Quality Liquid Assets ("HQLA")	Net cash outflows	Current period	Previous reporting period	Variance	Reasons for variance (if above 25%)
Quarter ended March 31, 2026	37,769.27	14,655.79	258%	354%	-27%	The LCR for Q4FY26 has reduced in comparison to Q4FY25 primarily due to the higher scheduled NCD repayments in April 2026 and loan prepayments to lenders in Q4FY26
Quarter ended March 31, 2025	32,957.54	9,302.48	354%	316%	12%	-

Particulars	Tier I Capital / Tier II Capital / Total Capital	Risk-weighted assets	Current period	Previous reporting period	Variance	Reasons for variance (if above 25%)
b) Capital adequacy ratios						
As at March 31, 2026						
CRAR	665,182.02	1,281,905.91	51.89%	50.10%	4%	NA
CRAR - Tier I Capital	665,182.02	1,281,905.91	51.89%	50.10%	4%	NA
CRAR - Tier II Capital	-	-	-	-	-	
As at March 31, 2025						
CRAR	577,253.82	1,152,170.65	50.10%	50.50%	-1%	NA
CRAR - Tier I Capital	577,253.82	1,152,170.65	50.10%	50.50%	-1%	
CRAR - Tier II Capital	-	-	-	-	-	

Particulars	Debt Securities	Borrowings (Other than debt securities)
53. Change in liabilities arising from financing activities		
As at March 31, 2024	**29,535.38**	**602,049.13**
Cash flows (net)	46,627.52	112,026.34
Others*	2,015.50	(54.48)
As at March 31, 2025	**78,178.40**	**714,020.99**
Cash flows (net)	2.52	21,336.36
Others*	142.31	6,362.42
As at March 31, 2026	**78,323.23**	**741,719.77**

* Includes the effect of interest accrued but not due, amortization of processing fees etc.

54. Impact of New Labour Code

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes' on November 21, 2025. Accordingly, the Company has assessed the impact of these changes and based on certain estimates and assumptions, has recognised an incremental provision of INR 262.29 lakhs under 'Employee benefits expenses' in the Statement of Profit and Loss for the year ended March 31, 2026, based on available information.

55. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / presentation.

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 008072S

G.K. Subramaniam
Membership No: 109839

Place: Mumbai
Date: April 28, 2026

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : L65991TN1984PLC010844

D Lakshmipathy
Chairman & Managing Director
DIN : 01723269

R Anand
Independent Director
DIN : 00243485

G Srikanth
Joint Managing Director
& Chief Financial Officer
DIN: 10636810

Vigneshkumar. S. M
Company Secretary
ACS: A44671

Place: Chennai
Date: April 28, 2026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